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2008 Annual Service Plan Report

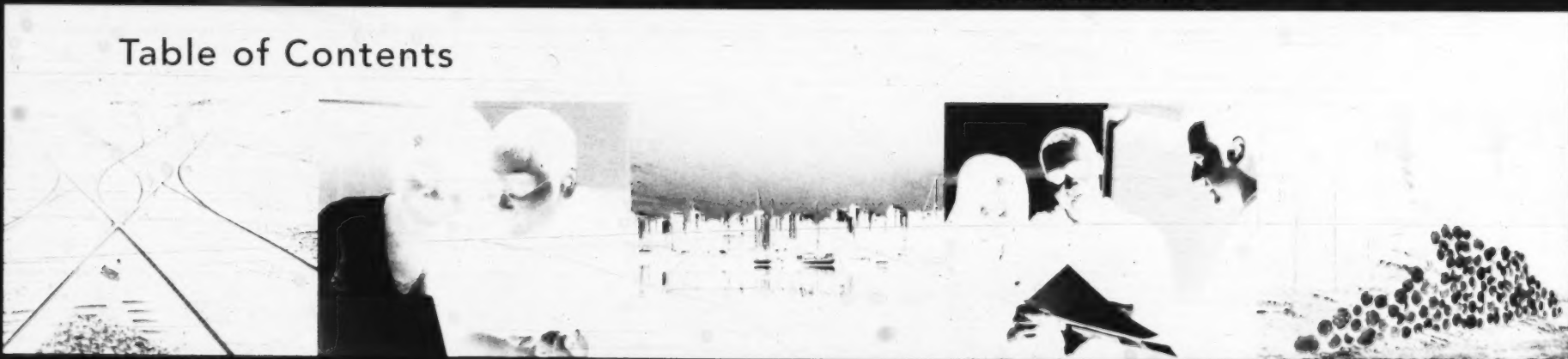


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Message from the Board Chair to the Minister Responsible

May 29, 2009

The Honourable Kevin Krueger
Minister of Community Development
Legislative Buildings
Victoria, British Columbia
V8V 1X4

Dear Minister:

On behalf of the Board of Directors, the management and the employees of the British Columbia Assessment Authority, I am pleased to present the 2008 Annual Service Plan Report for BC Assessment. 2008 was a year of significant change for the organization both internally and externally.

In the last year, BC Assessment and our government have witnessed rapid and profound change in economic fortunes world wide. The financial crisis that has spread across the globe cooled an economy that was seemingly unstoppable just last summer. British Columbia is connected to these markets and the impacts of changing global fortunes are now being felt locally. The steady and unprecedented growth over the last several years stalled and property values began to fall in the last half of the year. These events unfolded quickly and their impacts have been felt by many.

In response to the quick turn in the economy and decreasing property values in the latter half of 2008, the B.C. government passed the *Economic Incentive and Stabilization Statutes Amendment Act*, [SBC 2008], c. 44 in November. Referred to as *Bill 45*, this Act provides stability for property owners concerned about property values. The legislation required the 2009 assessment to reflect the value of a property as of either July 1, 2007 or July 1, 2008, whichever date

Message from the Board Chair to the Minister Responsible



Message from the Board Chair to the Minister Responsible

provided a lower value. The change applies for one year only. Drawing on the information already created as part of the normal annual assessment process, BC Assessment produced two rolls that ultimately were brought together to create the new, revised roll in four weeks—an achievement unprecedented in BC Assessment's history. At the same time, complaints and appeal rates have dropped substantially, and we have met or exceeded seven of our eight strategic performance targets.

We are proud of this achievement. The pace at which the work was done owed much to the dedication of staff and the recent innovations in information collection, storage and analysis that we have made at BC Assessment. Delivering the *Bill 45* directed roll also underscores the importance of the work we are doing to promote stronger leadership within BC Assessment and to lay the foundation for future success by investing in our people, promoting teamwork and innovation in our products and services, improving access to information and continuing to build efficiencies into the system while maintaining a strong customer service commitment.

During 2008, the Board hired Connie Fair as the new President and CEO. Connie was previously a member of the Executive Management Team for BC Assessment. Our executive team has also added several new members in order to broaden our expertise. The new Executive Management team has extensive experience that will enable us to effectively build towards our corporate vision. The vision, "to be the best choice for property information and assessment solutions for benefit of British Columbians – real time, anytime, anywhere" is now fully supported by five new guiding goals.

1. **People and Culture** – Engaged and skilled people committed to superior levels of customer service.
2. **Customers** – Public trust and confidence strengthened by serving our customers with care and professionalism while anticipating their needs and expectations.
3. **Relationships** – Assessment solutions developed by engaging and working collaboratively with our Shareholder (the provincial government of B.C.), key stakeholders and partners to support assessment solutions.
4. **Products and Services** – Timely, accurate and reliable products and services for our customers, key stakeholders and partners.
5. **Effectiveness** – Conduct our business effectively, efficiently and in an environmentally responsible manner.

These goals directly respond to the risks and opportunities that we see and they serve as the framework for planning and reporting on progress towards our vision.

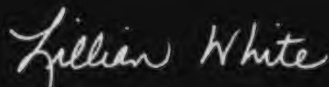
Message from the Board Chair to the Minister Responsible

The measures presented in the report focus on key performance indicators for the organization. The Board is responsible for ensuring internal controls are in place for the accurate and timely measurement and reporting of performance information. All significant decisions, events, and identified risks as of May 21, 2009 have been considered in preparing this report. The report contains estimates and interpretive information that represents the best judgment of management and identifies any changes in mandate, direction, goals, strategies, measures or targets made since the 2008-2010 Service Plan was released. Any significant limitations in the reliability of data are identified in the report.

This report was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act*, [SBC 2000], c. 21 and the B.C. Reporting Principles. The Board is accountable for the contents of the report and how it has been reported. The information presented has been prepared by management and reflects the actual performance of BC Assessment for the 12 months ended December 31, 2008 in relation to BC Assessment's 2008-2010 Service Plan (published February 2008).

I would like to take this opportunity to thank my fellow Board members for their support and ongoing commitment to the organization. Special thanks to outgoing Board members Barry Clark and Fred Graham for their valued contributions and I welcome Doug Morneau who was recently appointed to the Board. In addition, I would like to thank the BC Assessment staff who worked collaboratively toward achieving our performance targets in 2008 and to acknowledge those staff who retired from the organization over the last year.

We are proud of our achievements and confident that BC Assessment is laying the foundation for future success as a provider of valued property assessment solutions to our customers and the Province.



Lillian White

CHAIR, BOARD OF DIRECTORS

Summary of Our Accomplishments

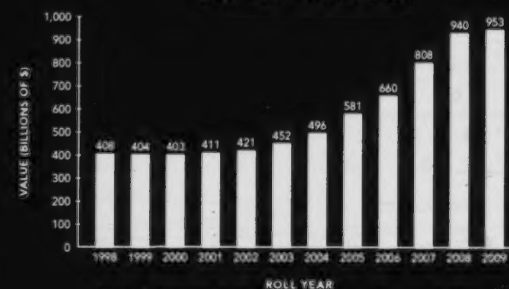
BC Assessment saw significant change in 2008. Externally, the downturn in the global economy has been one of the most significant events we have faced. Falling property values in the last half of 2008 required prompt action by government and BC Assessment to ensure that property assessments were fair and reflective of the sudden change in market values. Internally, BC Assessment has taken decisive action to strengthen its leadership, invest in its people and enhance products and services so that they continue to meet customer needs and expectations. The 2008-2010 Service Plan, which normally would guide BC Assessment over the year, was revised to reflect new directions and priorities. The specific changes made to the plan are noted in Appendix B and throughout the annual report, as relevant.

THE 2009 ASSESSMENT ROLL –

The production of the annual assessment roll is our primary responsibility. In January 2009, notices were sent to property owners for just over 1.85 million properties – an increase of approximately 34,000 properties compared to the 2008 assessment roll.

The Assessment Act, [RSBC1996], c. 20 requires that BC Assessment provides taxation authorities with an annual roll with assessments at market value. It contains the legal description, ownership information, assessed value, use classification, tax exemption status and other details for every property in British Columbia. In response to the quick turn in the economy and decreasing property values in the latter half of 2008, the B.C. government passed the *Economic Incentive and Stabilization Statutes Amendment Act 2008*, [SBC 2008], c. 44 in November. This Act, referred to as *Bill 45*, provides stability for property owners concerned about property values. The legislation required the 2009 assessment to reflect the value of a property as of either

FIGURE 1: Annual Roll Value



Source: BC Assessment Quality Assurance Department, Assessment Roll Statistics.

July 1, 2007 or July 1, 2008, whichever date provided a lower value. The change applies for one year only. The revised roll was completed quickly and notices were sent out promptly, maintaining overall stability and fairness in the property assessment and taxation system. The taxable value of the 2009 assessment roll is \$953 billion, an increase of \$13 billion or 1.38 per cent over the 2008 assessment roll.

Summary of Our Accomplishments



Summary of Our Accomplishments

STRENGTHENING BC ASSESSMENT –

PEOPLE AND CULTURE – BC Assessment recruited the CEO and several new executive positions in 2008. The new executive team has and increased focus on finance and human resources. This new team has also underscored the linkage between engaged staff and high quality customer service. To this end, we have increased our focus on people and culture within the organization by developing a corporate engagement action plan, monitoring staff engagement through an annual workplace environment survey and more actively addressing the succession, training and recruitment challenges we face.

CUSTOMERS – We continued to conduct annual customer surveys and consult with customer groups to identify what we are doing well and where improvements can be made. The overall survey results for 2008 strongly suggest that the vast majority of property owner customers were satisfied (82% were satisfied), which was within our overall 2008 target of 83.5 per cent (+/- 2%) satisfaction. We believe a high standard of customer service is necessary for our success, and set more precise and challenging targets in our 2009-2011 Service Plan in this area to underscore the fact that we can always do more. In 2008, the first phase of a Customer Segmentation Strategy was initiated. This strategy will provide clear direction on the specific needs of distinct individual customer groups. We also want to ensure that employees take pride in delivering service excellence to every customer. To support this strategy, we

will continue to deliver the next phases of our Service Excellence training program in 2009.

RELATIONSHIPS – Service excellence and ensuring trust in our products and services depend on good business relationships. Relationships became a strategic theme in 2008, and they are integral to our 2009-2011 Service Plan. A number of initiatives were undertaken in the past year to enhance performance in this area. This has included the establishment of a Taxing Jurisdiction Advisory Committee (TJAC), regular roundtable and industry meetings and the creation of an advisory structure with the executive and management representing provincial government ministries principally involved with BC Assessment. (For more information: www.bcassessment.ca/local_gov_customer.asp)

PRODUCTS AND SERVICES – Our products and services are designed to meet customer needs and maintain transparency through easily accessible public information about assessments and the basis for those assessments. We also work with our partners to maintain inexpensive and timely appeal processes to maintain fairness and administration in accordance with legislation and case law. While 2008 was an unusual year in a highly volatile real estate market, appeals and challenges to the accuracy of assessments were down substantially from 28,966 for the 2008 roll to 18,978 for the 2009 roll, and our performance improved in most areas.

"Survey after survey has shown that the key to success lies in focusing on customer needs, providing products and services that meet those needs and then managing the customer relationship to ensure customer satisfaction."

Stanley A. Brown
Author of Customer Relationship Management

- Assessment enquiries and appeals significantly dropped in 2009 as a result of Bill 45, continuing their downward trend over the past few years (refer to Figure 7 on page 20) and reflecting greater trust in our assessments.
- We continued to invest in our ability to provide map-based information to our customers through the e-valueBC web-based application. To support the additional need for map-based information, we also compiled 1.5 million parcels in the assessment fabric of the 1.8 million total number of parcels in B.C. BC Assessment also developed a maintenance strategy for the assessment fabric, and in 2009 will be providing a more regular update process of the assessment

Summary of Our Assessment

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Summary of Our Accomplishments

FIGURE 2: Products and Services

ASSESSMENT ROLL

- **COMPLETED ROLL** - Annual assessment roll completed in December and used by taxing authorities to set tax rates in the following year. Values on the assessment roll are based on the market value of a property as of July 1 each year.
- **REVISED ROLL** - Includes amendments made on the assessment roll by BC Assessment and the Property Assessment Review Panel (PARP) during February and March each year.
- **SUPPLEMENTARY ROLL** - Contains the changes and corrections, including decisions from the Property Assessment Appeal Board (PAAB), issued between April and December.

FIRST NATIONS ASSESSMENT ROLL

- BC Assessment completes an assessment roll on a contract basis for 55 First Nations that have authority to establish independent real property taxation systems.

ASSESSMENT NOTICES

- The assessment notice details the assessed value of the land and any improvements on the property. The assessment notices are mailed in the first week of January each year to every person designated on the assessment roll to receive one.

STATUTORY REPORTS

- These reports give value summaries for specific taxation purposes, such as funding for school districts, regional districts, local service areas, and hospital and transit services.

Summary of Our Accomplishments

fabric to the Integrated Cadastral Information Society (ICIS) for distribution to society members. Furthering our expansion of the use of map-based information, training was provided to local government and our staff to improve the ability to use this data to meet customer needs. Geographic Information Systems (GIS), which provide map-based data, vastly improve our ability to add value to our products and services.

- We added new features for our customers to our e-valueBC and Assessment LinkBC web-based applications. This included *Bill 45* mandated changes in e-valueBC that provide sales data from January 1, 2007 to October 31, 2008 and the market value for July 1, 2007 and July 1, 2008 and the resultant lower value for the 2009 assessment notice.

Where can I find more information?

Glossary of Terms:

Refer to the back of this report

Frequently Asked Questions – go to:
www.bcasessment.ca/faq.asp

EFFECTIVENESS – BC Assessment is committed to improving effectiveness and adhering to sound environmental practices. Increases in the average costs associated with property assessment services, as noted in our 2009-2011 Service Plan, are not to increase at a rate greater than inflation. BC Assessment met its 2008 target of \$39.00 per property with an actual cost of \$36.96 per parcel (see page 41 for additional detail). Our continued investment in new technologies and systems will enable us to provide innovative assessment solutions to customers while limiting cost increases.

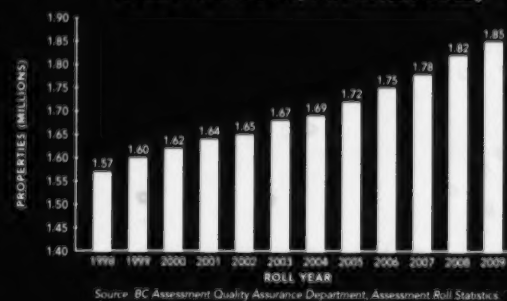
BC Assessment continued to advance government's broader interest in green technology, reducing our impact on the environment and supporting the province's Climate Action Plan. In addition to completing leasehold improvements, office space in new LEED standard buildings were secured for our Vancouver Sea to Sky Office and Head Office. Office consolidation in Kelowna has provided improved customer access, a more efficient office system and a reduced carbon footprint.

BC Assessment has created staff Green Teams in each of its 19 office locations to provide leadership and promote environmental awareness and adoption of green practices.

FIGURE 3: Average BC Assessment Costs Per Property



FIGURE 4: Number of Properties Assessed Annually



A Brief Look at Who We Are and What We Do

About BC Assessment

BC Assessment's mandate is to establish and maintain assessments that are uniform, fair and unbiased. The organization is governed by the *Assessment Act, [RSBC 1996], c. 20*, as amended, and the *Assessment Authority Act, [RSBC 1996], c. 21*, as amended from time to time, and supporting regulations. BC Assessment was incorporated as a Crown corporation in 1974.

The provision of an annual assessment roll is central to our work. The assessment roll contains the legal description, ownership information, assessed value, use classification, tax exemption status and other details for every property in British Columbia. Each year, BC Assessment determines the market value of properties as of July 1, provides an annual assessment roll to each taxing jurisdiction, and sends every designated property owner a property assessment notice. Based on the annual assessment roll produced every December 31, tax authorities determine the

property tax rate they will set to raise the revenue needed to provide public services. Tax authorities apply this rate to the assessed value of the properties and send the property owners a tax notice.

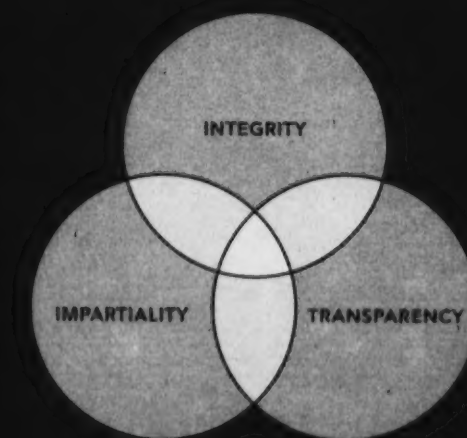
Strategic Direction

VISION: *To be the best choice for property information and assessment solutions for the benefit of British Columbians - real time, anytime, anywhere.*

MISSION: *To create uniform assessments which can be relied upon to build sustainable, flourishing communities (local, regional, and provincial).*

Guiding Values

Our guiding values of integrity, transparency and impartiality guide everything we do, including our service commitment to customers. For more information: http://bcassessment.gov.bc.ca/customer_service.asp



INTEGRITY: We deliver what we promise: dependable, accurate and consistent.

TRANSPARENCY: We conduct ourselves and our business in ways that are open, fair, honest and trustworthy.

IMPARTIALITY: We are objective and unbiased. We do our work and make our decisions without favour or prejudice.

Brief Look at Who We Are and What We Do



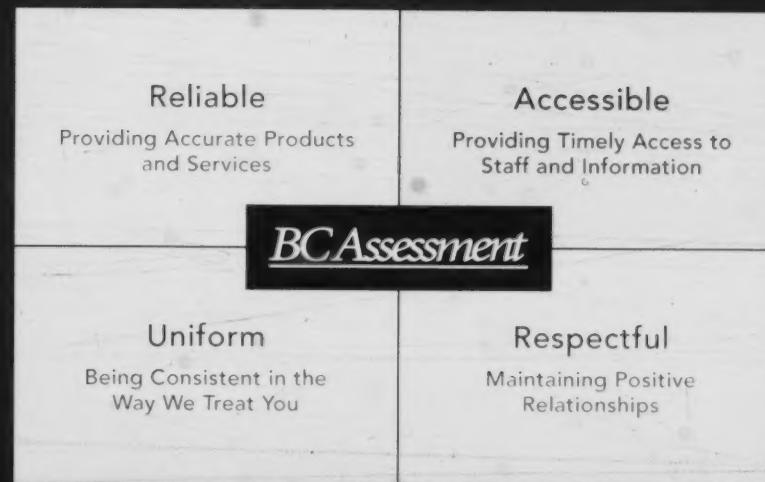
Delivering Value to Customers

Assessment roll information is used by taxing authorities who rely on taxes collected through an annual levy of property owners. These taxing authorities are one of our principal customer groups, and include the provincial government, local governments and the federal government. Property owners are our second key customer group, and they include homeowners, businesses, non-profits and government property owners. We also provide assessment services under contract to the 55 First Nations in 2008 that have taxing authority responsibilities.

The real estate market generally creates the value that BC Assessment reports to taxing authorities and property owners. Market values are not applicable as a basis for taxation for some properties, such as farm land and industrial properties. In these cases, assessments are determined in accordance with regulations and Board-approved prescribed rates. For 2009, the assessment roll had a value of \$953 billion, an increase of \$13 billion or 1.38 per cent over the 2008 assessment roll.

BC Assessment has no direct role in property taxation and operates independently from taxing authorities. However, what we do helps establish a sound foundation for fiscal planning and service provision for all levels of government. In 2008, \$6.04 billion in gross property taxes was collected based on the assessment roll. Property taxes provide between 40 and 60 per cent of funding for local

THE BEST CHOICE FOR PROPERTY INFORMATION AND ASSESSMENT SOLUTIONS – OUR CUSTOMER SERVICE COMMITMENT



WHY DO OUR VALUES AND OUR SERVICE COMMITMENT MATTER?

The first property levy in British Columbia was in 1860 with the levying of an annual tax of one per cent on the market value of real estate. Assessors were appointed to perform the assessment function. Over time, each city created separate assessment organizations. Assessment criteria and valuation methods varied and assessments were frequently challenged and often difficult to defend. By 1973, with 140 independent assessment organizations in British Columbia, the situation had grown into a serious provincial crisis of trust. Alarmed with the rising incidence of equity grievances, and pressured by property owners and the public sector, government created the BC Assessment Authority. Six months later, the Authority created the province's first impartial and independent assessment roll.

Living up to our values and service commitment is essential to maintaining the trust placed in us by the province and the people of British Columbia.

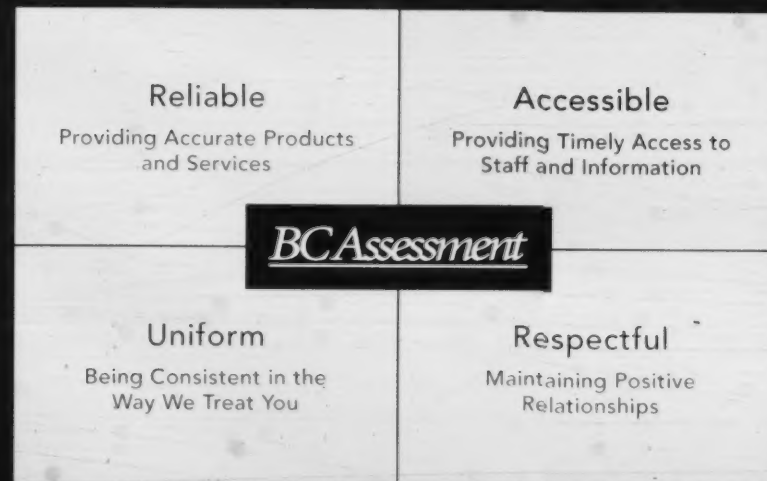
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ACCESS TO INFORMATION WHEN YOU NEED IT

Reliable, Accessible, Uniform and Respectful – Our customer commitment defines how we work with our customers. It goes further than that, though. To be trusted and valued, we need to always aim to meet customer needs as fully as possible while operating within our given mandate. This is a balancing act. It requires us to weigh the costs of our services against the value they bring to customers, stakeholders, taxpayers and our Shareholder. Our customer service strategy encompasses:

A "NO SURPRISES" AGENDA - We want to get information to customers early and often so they are aware of the big changes whether they be soaring land values as a result of major redevelopment in an area, new assessment policy or local zoning changes.

DIALOGUE AND CHECK-IN WITH CUSTOMERS - Through surveys, workshops and active listening in our day-to-day encounters, we aim to find out how we are doing, what our customers need and where we can make improvements.

EASIER ACCESS TO OUR STAFF - Customers have told us that their number one priority is to be able to contact a knowledgeable BC Assessment representative directly for information. In response, we have put in place the plan and budget to implement a new telephone system that will give customers easier and more direct access to knowledgeable staff.

DELIVERING COST-EFFECTIVE ASSESSMENT SOLUTIONS - We are continuing to develop new information platforms, as well as products and services that give customers easier online access to information and greater flexibility in how the information can be used. We are also improving the way we inspect properties by making better use of available technology and secondary sources of information which reduce our need for costly on-site property inspections.

- The first phase of our data warehouse is completed and will provide property value information with greater ease (including self-service by customers), reliability and uniformity.
- Through our Geographic Information Systems (GIS) mapping initiative, we have compiled 1.5 million of the 1.8 million property parcels in the province and we are now undertaking a regular update process on the assessment spatial fabric. The updated fabric is provided on a quarterly basis to the Integrated Cadastral Information Society for the use of their members. This will vastly improve the ability of customers to locate their property and relate it to others within a defined geographic space.

Our commitment to provide more easily understood and more useful map-based data fundamentally moves us from focusing on single-purpose products and services to a platform that allows us to serve the customer in ways that truly deliver assessment solutions to meet unique needs.

A Brief Look at Who We Are and What We Do

governments and approximately 30 per cent of funding for schools. All of these funds are based on the property taxes applied by taxing authorities. The tax amount for each property is based on the assessed value of the property and the projected cost for the provision of public services by the taxation authority. Tax rates are adjusted as property values change.

Work in Partnership

We work in partnership with other agencies to add value to services and save taxpayer dollars. For example, as a member of the Integrated Cadastral Information Society (ICIS) — which is creating a single source for all provincial mapping data from government and private sector sources — BC Assessment provides expertise and data that enables all partners to share resources more efficiently. In addition, we are a sponsor of a number of organizations that represent local governments at various levels. These sponsorship arrangements include the Union of British Columbia Municipalities, the Local Government Management Association, and the Government Financial Officers Association. These arrangements increase awareness and understanding of the assessment process in the province, leading to a more effective and efficient property taxation program across all of the jurisdictions in British Columbia. BC Assessment also works directly with a number of partner organizations such

as the Appraisal Institute of Canada and International Association of Assessing Officers to continually improve the assessment system in B.C. and support appraisal standards across Canada and the United States. Partnerships bring new ideas, ensure uniform and relevant standards, and help us to achieve our goals and control costs.

Fair and Accessible

We aim to ensure that property assessments are fair and accurate. Property owners have access to a range of options to ensure accuracy or impartiality of their assessment. Local BC Assessment appraisers can often resolve issues directly with property owners. In cases where the issues cannot be resolved, the matter can be forwarded to a local Property Assessment Review Panel (PARP)¹. Property owners may appeal panel decisions to the Property Assessment Appeal Board (PAAB)². PARP and PAAB decisions may be appealed to higher courts that may hear property appeals based solely on points of law.

For more information:

<http://www.sbr.gov.bc.ca/parp/>

<http://www.assessmentappeal.bc.ca/>

How We Are Funded

We are funded primarily through property tax levies administered by the taxing authorities

— \$69.2 million in 2008. In addition, BC Assessment received investment income of \$775,000 and \$5.3 million in revenue from a variety of sources, including payments in lieu of taxes and the sale of a variety of information products and services. The latter includes provision of bulk electronic assessment rolls, sales data and residential inventory data, custom reports and professional consulting services, and enhanced service through strategic partnerships with BC OnLine and data agents in the private sector. On a contract basis, BC Assessment also provides assessment services to 55 First Nations in B.C. that have taxation authority. Revenue from all these non-tax levy sources limits increases to the levy for property owners.

There was an average increase of 2.7 per cent in the levy rates across all property classes in 2008 and will be an average 3.0 per cent rate increase across all of the property classes in 2009. The levy rate increases for 2008 and 2009 were the first rate increases in 10 years for BC Assessment.

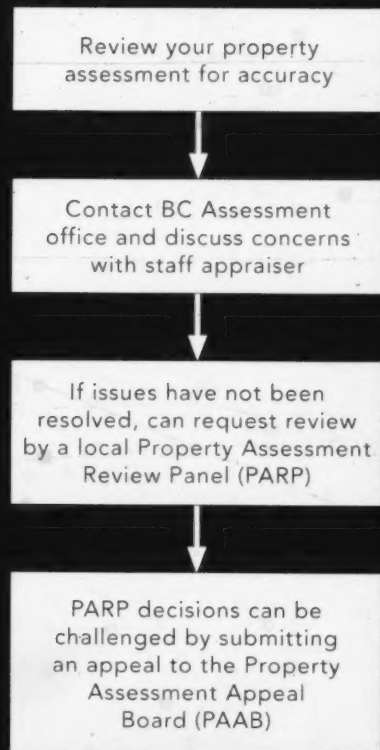
As a 2009 strategic priority, BC Assessment aims to limit increases in property tax levies to fund our operations by looking to new opportunities to leverage our expertise and data by furthering the development of partnerships and by realizing greater efficiencies through business improvements and greater use of technology.

¹ Approximately 75 panels are appointed throughout British Columbia to serve as independent bodies to review property assessment roll complaints. Each panel consists of three members appointed by the Minister responsible for the Assessment Act. Members are selected on the basis of merit, following an open and transparent process.

² The Property Assessment Appeal Board (PAAB) is independent from the Property Assessment Review Panels, government and BC Assessment. It provides property owners with a way of appealing decisions made by the review panels, and is critical to maintaining confidence in the accuracy and integrity of the assessment rolls.

A Brief Look at Who We Are and What We Do

FIGURE 5: Challenging the Accuracy of your Assessment



Property owners have a range of options to ensure the accuracy of their assessment.

How We Are Governed

Role and Membership of the Board of Directors

BC Assessment is governed by a Board made up of Directors appointed by the Lieutenant Governor in Council. The Board is supported by five committees and the Executive Management Team (see Figure 6).

The implementation of the *Assessment Statutes Amendment Act, [SBC 2007], c.13* (now included in the *Assessment Authority Act, [RSBC 1996], c. 21*) established a new corporate governance structure that made the Board of Directors fully accountable for setting corporate direction, including appointing the President and CEO, setting policy and monitoring performance.

BC Assessment's governance structure is defined in legislation applicable to all Crown corporations as well as in the *Assessment Authority Act, [RSBC 1996], c.20* and the *Assessment Act, [RSBC 1996], c. 21*. The governance structure is further defined in the Shareholder's Letter of Expectations between

the Minister of Community Development who is the Minister responsible for BC Assessment and acts as a representative of the Shareholder (the provincial government of B.C.) and the Chair of the Board of Directors, acting as a representative of BC Assessment. This letter establishes a common understanding between the Shareholder and the Board of Directors on responsibilities, accountabilities, key governance issues, core services, public policy issues, strategic priorities, and performance expectations. The 2008 Shareholder's Letter of Expectations sets out a range of performance expectations and our progress in relation to them is reported annually.

For more information about our Board of Directors: www.bcasessment.bc.ca/about/board.asp

For more information about our Executive team: www.bcasessment.bc.ca/about/executive.asp

BC Assessment's report on performance in relation to the 2008 Shareholder's Letter of Expectations, can be found at: www.bcasessment.bc.ca/publications/reports/index.asp

Governance Principles

The Board of Directors has adopted the guiding principles included in the provincial government's *Best Practice Guidelines: B.C. Governance and Disclosure Guidelines for Governing Boards of Public Sector Organizations*. BC Assessment's governance practices comply with these guidelines and can be found at www.bcasessment.ca/pdf/about/Board_Governance.pdf.

How We Are Governed



How We Are Governed

FIGURE 6: Governance Structure

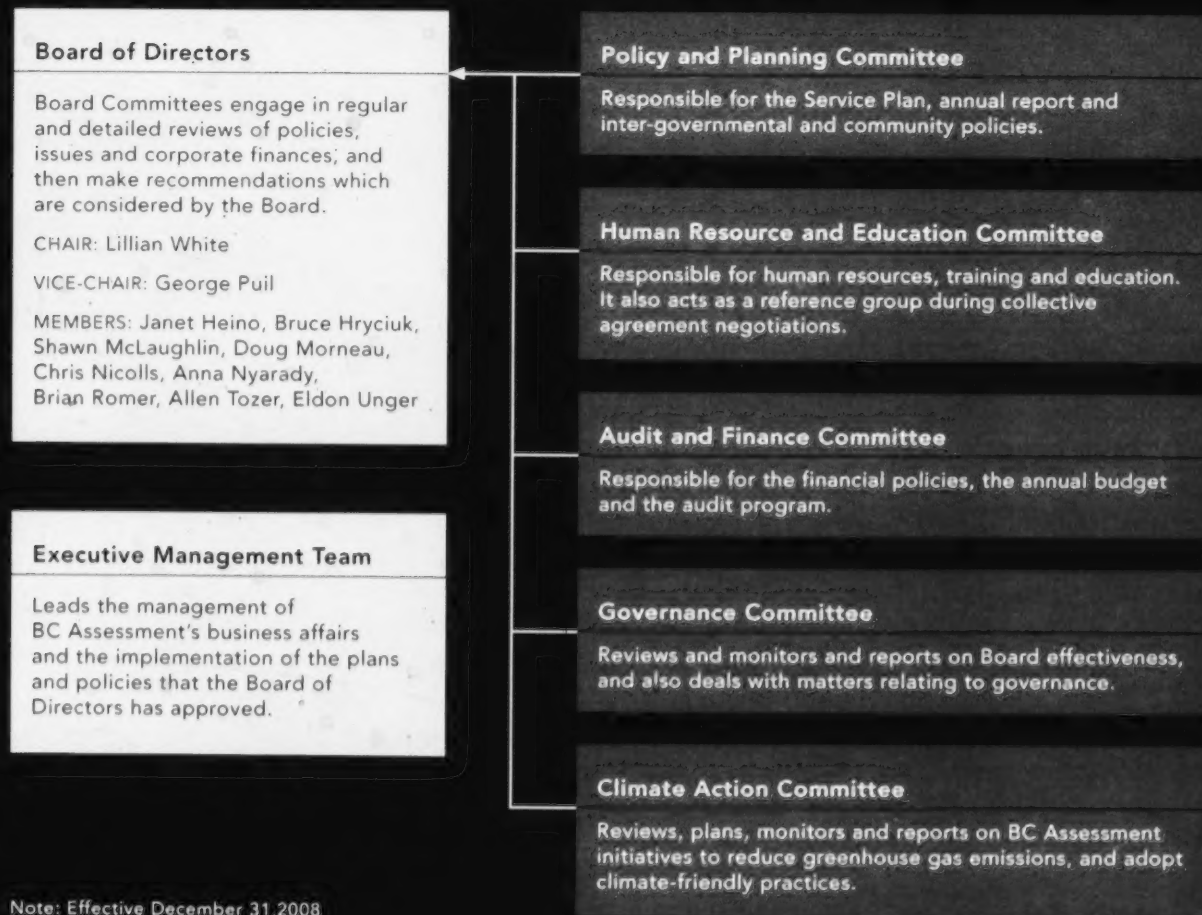
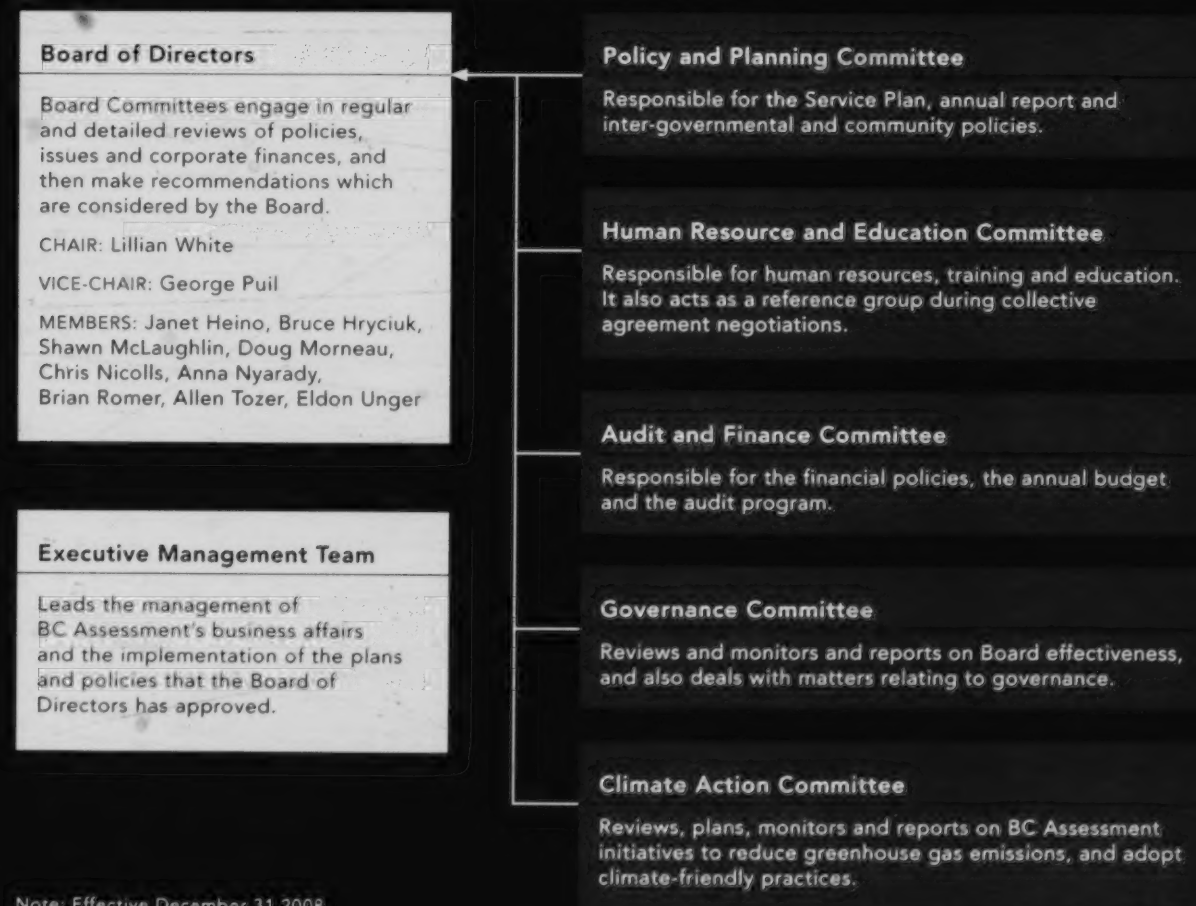


FIGURE 6: Governance Structure



Note: Effective December 31, 2008

Report of the Auditor General of British Columbia

*To the Board of Directors of the British Columbia Assessment Authority, and
To the Minister of Community Development:*

I have been engaged to report whether *The 2008 Annual Service Plan Report* (the annual report) of the British Columbia Assessment Authority (the Authority) for the year ended December 31, 2008, fulfills the requirements of the BC Reporting Principles. The eight BC Reporting Principles outline the characteristics of good performance reporting, and were endorsed by the Legislative Assembly's Select Standing Committee on Public Accounts for use by public sector organizations in British Columbia. The principles are detailed in the body of this report. This annual report is the responsibility of the Authority. My responsibility is to assess whether this annual report has met the requirements of the BC Reporting Principles.

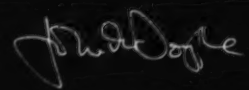
I conducted my examination in accordance with Canadian standards for assurance engagements and accordingly included such tests and procedures as I considered necessary in the circumstances. The conclusion in my report is based on procedures that I determined to be necessary for the collection of sufficient, appropriate evidence in order to obtain a high, though not absolute, level of assurance as to the Authority's achievement of the requirements of the BC Reporting Principles.

Readers are cautioned that, as a transitional approach to providing assurance, I did not test the reliability of the performance information (principle 7) in the annual report, except for that contained in the Authority's 2008 financial statements set out on pages 53 to 69. Consequently, I do not offer assurance on the reliability of the information reported except for that presented in the Authority's 2008 financial statements, for which I provide a separate audit opinion.

As called for by the BC Reporting Principles, the annual report contains a number of representations from management concerning the appropriateness of the goals, objectives, and targets established by the Authority, explanations of the adequacy of planned and actual performance, and expectations for the future. Such representations are the opinions of management and inherently cannot be subject to independent verification. As discussed above, I did not test the reliability of the performance information in the annual report. Therefore, my examination was limited to ensuring the report contains those representations called for by the BC Reporting Principles and that they are consistent with both unaudited performance information and audited financial statements.

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I performed a more extensive audit of reliability as referred to in the third paragraph above, this annual report fulfills the requirements of the BC Reporting Principles, in all significant respects. The following appendix contains details supporting my conclusions for each of the BC Reporting Principles, and is an integral part of my opinion.

*Victoria, British Columbia
May 21, 2009*


John Doyle, MBA, CA
Auditor General



Appendix to the Report of the Auditor General of British Columbia on the 2008 Annual Service Plan Report of the British Columbia Assessment Authority

Detailed observations

Principle 1 – Explain the Public Purpose Served

The report explains the Authority's public purpose, enabling legislation, and mission. Core business areas, services, customers, and stakeholders are described, as is the role of partners. The report explains the Authority's governance structure and external accountabilities. The report outlines the Authority's values that guide its service delivery (guiding principles and premises).

Principle 2 – Link Goals and Results

The report explains the chain of events from mission to goals and strategies through to performance measures. The relevance of these measures is explained in the context of the Authority's goals and objectives, and in relation to issues of concern to an external audience (the public and legislators). Performance measurement focuses on outcomes in the short and long term, explaining how short-term achievements impact long-term results. Variances between planned and actual results are explained and related to expectations and plans for the future.

Principle 3 – Focus on the Few, Critical Aspects of Performance

The report states why goals, objectives, and the eight performance measures are important to the Authority and to an external reader. The performance information provides a clear and concise performance story. Key results are clear and readily apparent.

Principle 4 – Relate Results to Risk and Capacity

The report summarizes key risks and capacity issues in relation to each performance measure, their impact on results, and strategies for dealing with them in the future. Issues related to organization-wide financial, infrastructure, and technology risks and capacity are discussed separately.

Principle 5 – Link Resources, Strategies and Results

Revenue and expense variances are described as part of management's commentary on the financial statements. Costs are related to key business activities and goals. Planned and actual costs are provided for key revenue and expense items, and trend information is provided for revenues and expenses. A critical measure of efficiency is identified — average cost per property for assessment services — and reported.

Principle 6 – Provide Comparative Information

Actual performance is clearly reported in relation to the service plan. Current performance is graphically related to historic trends, and related to some industry benchmarks. Inconsistencies in trend data are fully explained, and future performance targets are explained in the context of current performance.

Principle 7 – Present Credible Information, Fairly Interpreted

I am not providing assurance that the data supporting the eight performance measures is reliable, nor am I providing assurance on the effectiveness of the Authority's control environment. The report is reasonably concise and specialized terminology has been largely avoided. The report has been issued in accordance with statutory reporting deadlines.

Principle 8 – Disclose the Basis for Key Reporting Judgments

The report provides explanations for how performance indicators are derived and the period to which data relates. The Authority's Chair has affirmed her ownership of the report, and responsibility for ensuring the accuracy and timeliness of performance information. The report explains the importance and relevance of goals and objectives, and it discusses how targets are selected.

Taking Action – Maintaining Trust and Fairness in a Time of Change

The Property Assessment Notice that is issued by BC Assessment is based on the market value, property classification and applicable exemptions on July 1 of each year. On December 31 of each year, BC Assessment sends out a Property Assessment Notice to each property owner. The accuracy and timely production of these notices and the roll is essential so that taxing authorities can base tax rates on accurate and complete information.

In the 2007 annual report, we reported that the Conference Board of Canada expected strong economic growth of three per cent in 2008. The rapid growth in property values over the last several years stalled, and property values began to fall in the last half of 2008. These events unfolded quickly and their impacts have been felt by many. Since the 2009 property assessment was based on the value of the property as of July 2008, there was concern the roll would be based on property values that were significantly out of step with the market.

In response, the B.C. government passed the *Economic Incentive and Stabilization Statutes Amendment Act, 2008, [SBC 2008], c. 44* to provide stability for property owners concerned about property values. This Act (referred to as *Bill 45*) required the 2009 assessment to reflect the value of a property as of either July 1, 2007 or July 1, 2008, whichever date provided a lower value. This legislation applied to the

2009 roll year only and it is the first time in the history of BC Assessment that a roll has been modified on this scale. It required the production of two rolls, and an analysis of them to produce the *Bill 45* directed roll.

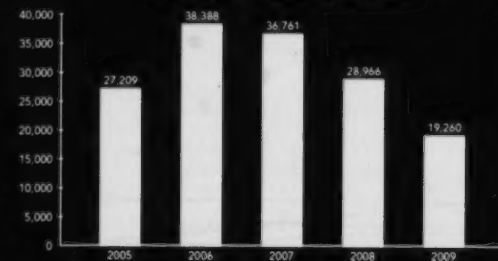
The production of two rolls and the selection of the lower value for the 2009 roll is unprecedented, and would not have been possible without the dedication of staff; recent innovations in information collection, storage and analysis; and the high-quality information collected through the production of the 2009 and the 2008 rolls. In four weeks – the same time period required to produce the annual assessment roll under normal circumstances – BC Assessment produced two rolls, analyzed them to produce the *Bill 45* directed roll, and sent out notices to the 1.92 million property owners identified for the 1.85 million properties comprising the roll.

The e-valueBC system, implemented in 2005, provided the flexibility needed to work with the assessment information. The previous operating system, used for almost 30 years, would not have supported this work. Our staff and partners worked together to reconfigure our normal practices to run two rolls at once and select the lower value.

This underscored the need for ongoing investment in our people, new technologies and processes, and to maintain dialogue with customers to help us adapt quickly to their changing needs and maintain our position as the preferred and trusted choice in property assessment solutions. We not only met the demands of *Bill 45*, we also saw customer satisfaction increase and appeal rates drop, we maintained roll quality and we met our costs-per-property targets.

The fact that BC Assessment creates a roll annually, unlike many other jurisdictions in Canada, ensures that our staff can identify and act in a timely way on market change and provide assessments that are accurate, predictable and fair.

FIGURE 7: Number of Public Complaints to a Property Assessment Review Panel



Data Source: BC Assessment Quality Assurance Department, 2009 Assessment Roll Statistics

Our Performance

The Service Plan and the Shareholder's Letter of Expectations establish the performance expectations that serve as goal posts for BC Assessment. The Service Plan identifies goals, supporting strategies and specific results (expressed as targets). BC Assessment has five goals and each is supported by a range of strategies that guide day-to-day activities.

1. **PEOPLE AND CULTURE:** Inspire a culture of engaged and skilled people committed to superior levels of customer service.
2. **CUSTOMERS:** Strengthen public trust and confidence by serving our customers with care and professionalism while anticipating their needs and expectations.
3. **RELATIONSHIPS:** Engage and collaborate with our Shareholder, key stakeholders and partners to support assessment solutions.
4. **PRODUCTS AND SERVICES:** Provide timely, accurate and reliable products and services for our customers, key stakeholders and partners.

5. **EFFECTIVENESS:** Conduct our business effectively, efficiently and in an environmentally responsible manner.

Figure 8 outlines the strategies behind these goals as well as performance measures that provide the basis for measuring the tangible results we aim to achieve. Together, goals, strategies, performance measures and targets represent a plan of action and clearly set out the conditions that will define our success. Our performance in relation to these Service Plan commitments is discussed in this section.

Changes from the Previous Year

The Service Plan for 2008-2010 sets out the performance expectations against which BC Assessment would typically report. However, the goals, strategies and performance measures were amended in 2008 to reflect new priorities and measures to meet customer and stakeholder concerns. BC Assessment moved from three to five goals and added several new performance measures and targets. This framework is the basis for reporting on results

in 2008. Figure 8 shows the revised Service Plan, and the changes are more fully described in Appendix B.

Setting Targets and Benchmarking

BC Assessment establishes performance targets that specify results to be achieved over a three-year period. These targets are reviewed annually and re-evaluated based on changing conditions internally and externally such as availability of skilled staff, financial conditions, technological needs, etc. While the targets are intended to challenge the organization, there is every expectation that they can be achieved. Strategies, resources and management decisions throughout the year align resources and energies towards achieving performance targets.

Our Performance



Our Performance

Benchmarking, a key part of our performance management program, provides comparisons from other jurisdictions that give BC Assessment confidence that the property assessment process in this province provides high-quality, uniform assessments for property owners and taxpayers. Setting targets and benchmarks is an evolutionary process, and progress in this area is detailed on page 43.

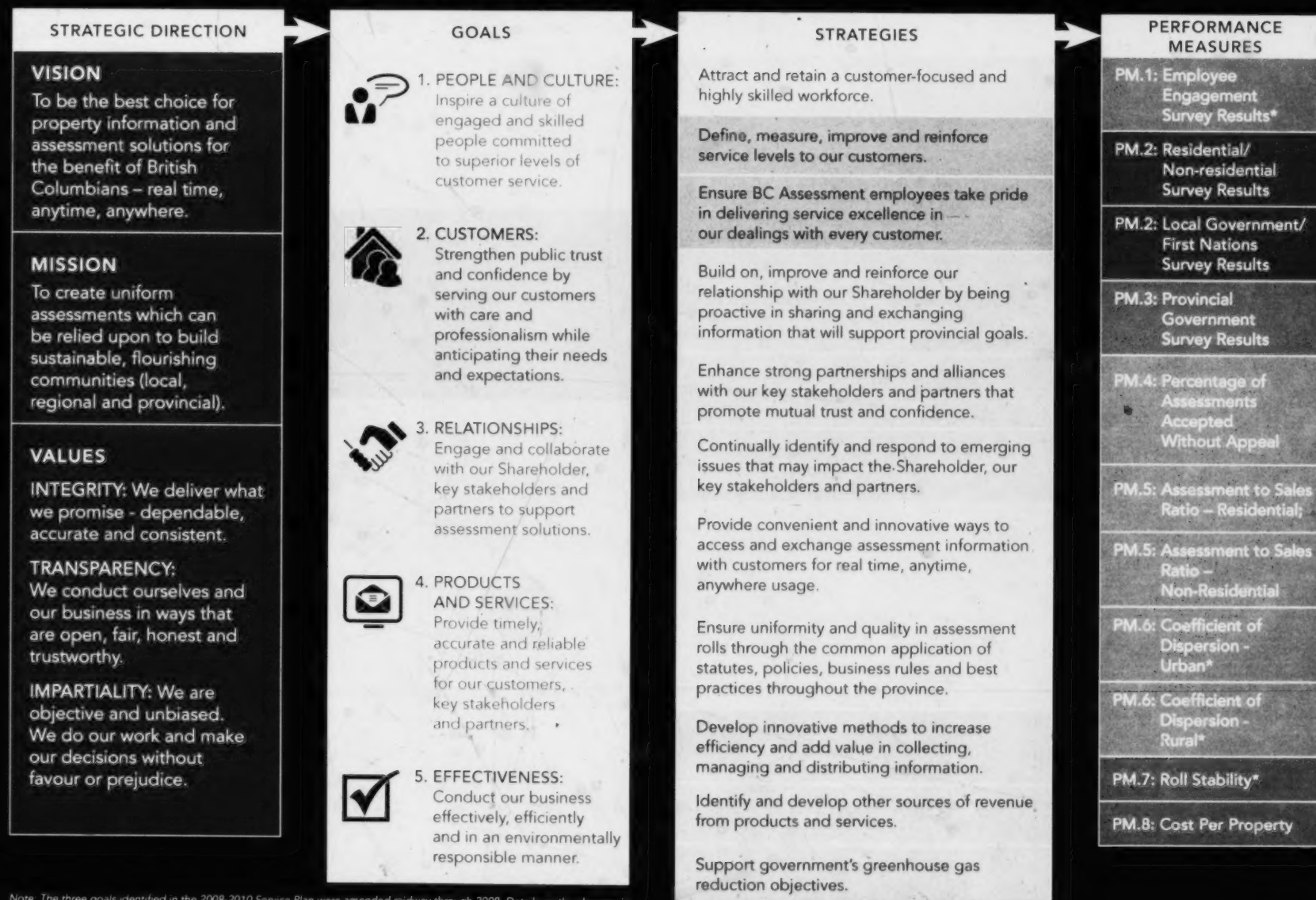
Data Source Reliability and Limitations

Professional appraisal staff collect much of the information used in our performance measures through a variety of methods such as property inspections. We also rely on a range of other sources including municipalities, regional districts, real estate boards, the Land Title and Survey Authority of British Columbia, and individual property owners. In some cases, the measures adopted are international standards. BC Assessment has consistently conducted regular and extensive surveys each year with our customer groups, and relies on third-party, commercial survey companies that work to established professional standards. To improve comparability and the quality of our performance measures, we undertake periodic reviews. In 2009, we will be implementing a number of projects as part of our annual Audit Plan to improve the effectiveness of internal management controls. A priority-project in 2009 will be the continuation of a two-year project to analyze our performance in undertaking sales editing and sales reassessment practices as

part of the development of the assessment roll. The objective of the project will be to provide assurances that all sales adjustments to arrive at assessed market values for the roll can be verified. Data source reliability and limitations are discussed in more detail in Appendix A.

BC Assessment is guided by the eight B.C. Reporting Principles endorsed by the Legislative Assembly's Select Standing Committee on Public Accounts that outline the characteristics of good performance reporting by public sector organizations. For more information: http://www.llbc.leg.bc.ca/public/PubDocs/bcdocs/368657/Reporting_Principles_Nov2003.pdf.

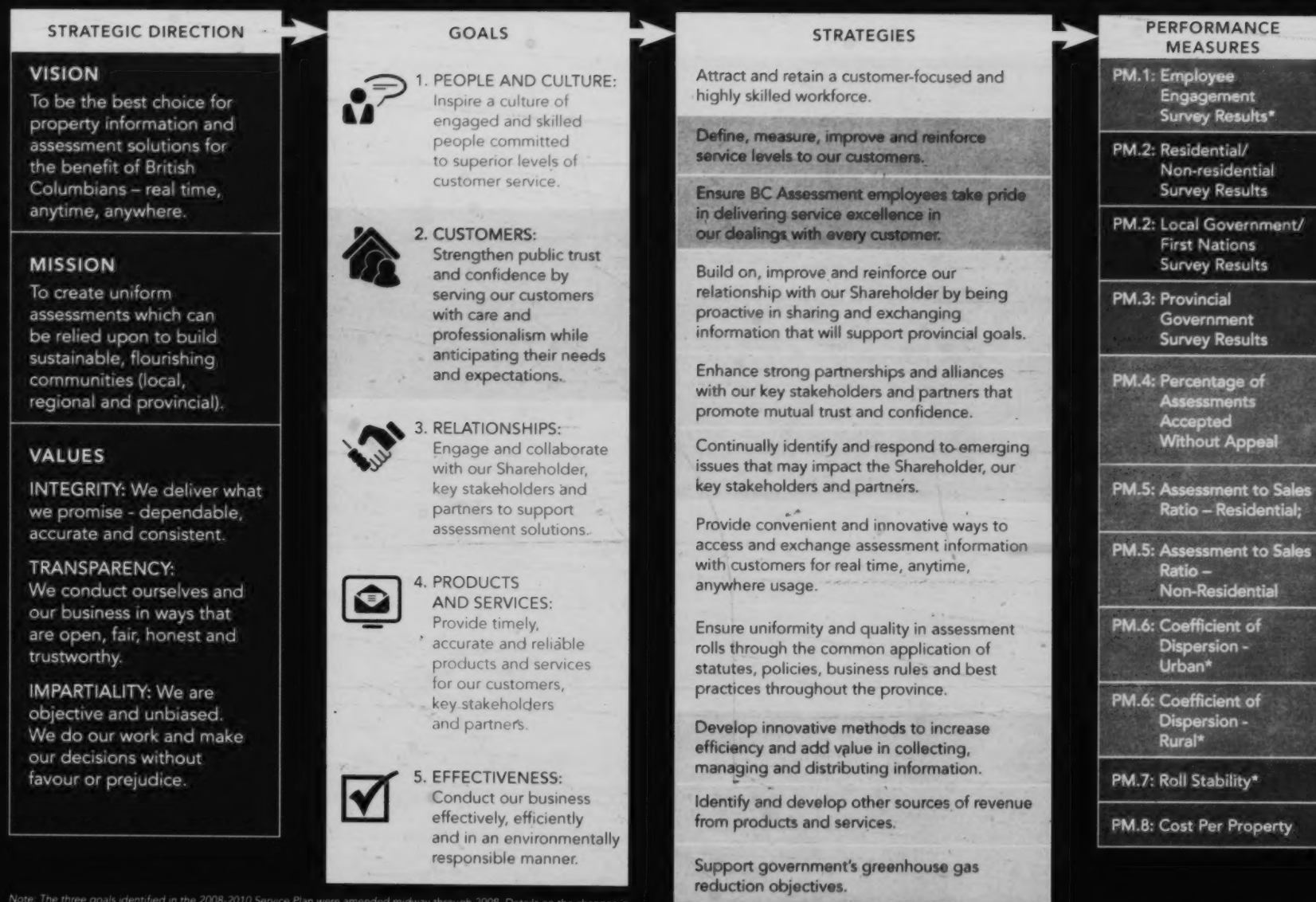
FIGURE 8: 2008-2010 Revised Service Plan Strategic Framework



Note: The three goals identified in the 2008-2010 Service Plan were amended midway through 2008. Details on the changes in our goals and associated performance measures are noted in Appendix B.

* New measures adopted in 2008.

FIGURE 8: 2008-2010 Revised Service Plan Strategic Framework



Note: The three goals identified in the 2008-2010 Service Plan were amended midway through 2008. Details on the changes in our goals and associated performance measures are noted in Appendix B.

* New measures adopted in 2008.

Our Performance

FIGURE 9: 2008-2010 Summary of Performance Measures, Targets and Results

PERFORMANCE MEASURES	2006 ACTUAL	2007 ACTUAL	2008 TARGET	2008 ACTUAL	2009 TARGET	2010 TARGET	2011 TARGET
PM.1: Employee engagement survey	n/a	n/a	n/a	59	62	65	68
PM.2: Residential/Non-Residential Survey	86.0%	82.0%	83.5% +/- 2.0%	82.0%	≥84%	≥84.5%	≥85%
PM.2: Local Government/ First Nations Survey	95.0%	95.0%	95% +/-5%	n/a*	≥95%	n/a*	≥95%
PM.3: Provincial Government Survey	97.0%	95.0%	95% +/-5%	n/a*	≥95%	n/a*	≥95%
PM.4: Percentage of Assessments Accepted Without Appeal	97.8%	97.9%	98%	98.4%	≥98%	≥98%	≥98%
PM.5: Assessment to Sales Ratio (ASR) – Residential	96.5%	96.8%	>97%	96.8%	97-100%	97-100%	97-100%
PM.5: Assessment to Sales Ratio (ASR) – Non-Residential	95.0%	94.2%	>95%	94.2%	95-100%	95-100%	95-100%
PM.6: Coefficient of Dispersion (COD) – Urban	7.4%	7.0%	<10%	7.5%	<10%	<10%	<10%
PM.6: Coefficient of Dispersion (COD) – Rural	10.9%	9.8%	<15%	10.9%	<15%	<15%	<15%
PM.7: Roll Stability	≤0.36 of 1%	≤0.38 of 1%	≤0.40 of 1%	0.29 of 1%	≤0.37 of 1%	≤0.37 of 1%	≤0.37 of 1%
PM.8: Cost Per Property	\$35.27	\$37.32	\$39.00	\$36.96	\$39.41	\$40.75	\$42.14

Note: The Performance Measures above include the five measures in the 2008-2010 Service Plan and supplemental performance measures adopted in the 2009-2011 Service Plan. The additional measures and associated targets for 2009 include PM 1, PM 6 and PM 7. A ninth performance measure to respond to government's climate action objectives will be developed in 2009. In relation to employee engagement (PM1), actual achievements for 2006 and 2007 and the target for 2008 cannot be provided since a new survey methodology was adopted in 2008. Details regarding changes made to the performance measures and targets for the 2008-2010 Service Plan are more fully explained in Appendix B.

*BC Assessment's local government, provincial government, and First Nations customers have requested that they be surveyed biennially to avoid survey fatigue and the independent market research firm advising BC Assessment supports this recommendation. Consequently, BC Assessment will not undertake a survey for local government, provincial government and First Nations in 2008 or 2010 but will undertake the survey of these customer groups in 2009 and 2011.

 GOAL 1: PEOPLE AND CULTURE
PERFORMANCE MEASURE 1 - EMPLOYEE ENGAGEMENT

	2006 ACTUAL	2007 ACTUAL	2008 TARGET	2008 ACTUAL	2009 TARGET	2010 TARGET	2011 TARGET
PM.1: Employee engagement – survey results	n/a	n/a	n/a	59	62	65	68

Note: PM 1 is a new measure added into the 2009-2011 Service Plan. Details on the changes in goals, measures and associated targets are detailed in Appendix B. Actuals for 2006/2007 and the target for 2008 are not listed because the survey methodology changed in 2008 making previous targets and results of limited value for comparison purposes. Data Source: BC Stats, September 2008, Work Environment Survey.

Importance

Employee engagement is important for all organizations – it is the foundation for a workplace that enhances satisfaction and commitment and creates a place where people want to come to work. Engaged employees contribute to higher levels of customer satisfaction, trust and confidence in what we do. BC Assessment has been measuring employee satisfaction internally through employee surveys since 2001. The survey results not only tell us what our level of engagement is, they also show how well we are doing on key drivers such as the work environment, hiring practices, leadership and teamwork.

In 2008, the Board adopted employee engagement as a strategic performance measure to be publicly reported on and included in our 2009-2011 Service Plan.

Setting targets

In 2008, we adopted the employee survey tool used by the Province of B.C. This new survey tool is designed to give better information about levels of employee engagement in BC Assessment. For the first time, we can compare our performance to other public sector organizations in the Province. The 2008 engagement score serves as a baseline for BC Assessment and targets for the next three years were based on this information. Public sector organizations in the province will be examined for comparison purposes, and benchmarks will be established in 2009.

Performance Highlights

BC Assessment contracted with BC Stats of the Ministry of Labour and Citizen Services to act as an independent third party to conduct its employee engagement survey in 2008 using the B.C. Government Work Environment Survey (WES). A total of 88 per cent of employees (516 out of 589) responded to the survey.

The resulting engagement score of 59 out of 100 is similar to the scores obtained by many organizations when they first use this type of survey tool. It is a composite score, which is based on employee perceptions of the work environment. BC Assessment will be identifying other public sector agencies in B.C. that can serve as benchmarks, and these will help to develop future targets for performance.

The survey revealed areas of corporate strength. Four out of five employees were supportive of decision-making processes (empowerment and supervisory-level management drivers) and four out of five employees feel they are encouraged to be innovative. Teamwork is strong and 80 per cent of employees feel that working relationships with co-workers are good. Almost three-quarters are proud of the work they do and 60 per cent agree that BC Assessment supports work-related learning and development. These are all positive findings and show strengths in areas that are critical to our long-term productivity, but there is room for improvement.

Our Performance



GOAL 1: PEOPLE AND CULTURE

PERFORMANCE MEASURE 1 - EMPLOYEE ENGAGEMENT							
	2006 ACTUAL	2007 ACTUAL	2008 TARGET	2008 ACTUAL	2009 TARGET	2010 TARGET	2011 TARGET
PM.1: Employee engagement – survey results	n/a	n/a	n/a	59	62	65	68

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Performance Highlights

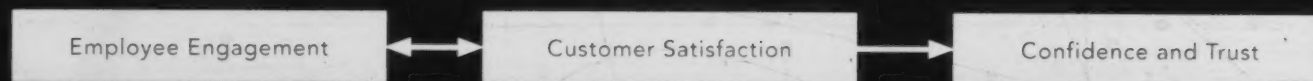
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Our Performance

FIGURE 10: The Relationship between Employee Engagement, Customer Satisfaction, Confidence and Trust³



Engaged employees contribute to higher levels of customer satisfaction and confidence in what we do.

Areas for improvement include the need to better manage staff workloads and stress, and to provide more meaningful staff recognition. Improvement strategies are being incorporated in the Corporate Engagement Action Plan, which is a priority in 2009.

BC Assessment continues to face a number of strategic risks in relation to its people which are detailed in the section *Strategic Risks*, on page 44. Some of these risks include:

- **Succession/Knowledge Transfer:**
We depend on a range of speciality knowledge-based positions to carry the bulk of our program, and have limited back-up ability in place to carry the program in the event of retirement, job transfer, medical emergency, extended vacation etc.
- **Attraction and Retention of Qualified Staff:**
There has been significant turnover of knowledgeable staff in the organization due to retirements as well as departures of people to other places of employment.

The average age of permanent employees is 44 years and their average length of service is 12 years, which are both unchanged from 2007.

In 2008, 19.9 per cent of our staff had less than two years' service with BC Assessment. This can be contrasted with the situation in 2003 where only 2.9 per cent of our staff had less than two years' service. As a consequence, there is a pressing need to focus on training, staff development and engagement.

Major Programs and Strategies

Employee engagement is the top strategic priority in the 2009-2011 Service Plan. Our goal is to continuously improve our workplace in order to make BC Assessment an even better place to work, and to ensure we are an organization whose high levels of performance meet our customers' needs. Employee learning and development is a significant component of our strategy to attract and retain a customer-focused and highly skilled workforce. As an example of this commitment to employee development, the BC Assessment Learning Centre increased the number of learners and training sessions in 2008 with 2,129 learners participating in 1,761 corporate days of training compared to 1,256 learners and 1,615 training days in 2007.

Topic areas in the corporate training program include leadership development, appraisal training and enhanced computer skills.

Looking Ahead

At year end, development of the 2009 Corporate Employee Engagement Action Plan was underway, and initiatives to support implementation of the plan at the corporate and local levels were in progress. The plan supports a strong management and leadership foundation to facilitate employee engagement; reinforces and builds support for the vision, mission and business mode underlying BC Assessment; and continues to develop and promote training and professional development opportunities.

A major priority for next year will be the renewal of the collective agreement with our unionized staff, which expires December 31, 2009. Another area of focus for 2009 will be to continue the development and delivery of human resources training modules to ensure ongoing management development in this area.

Our Performance



GOAL 2: CUSTOMERS

PERFORMANCE MEASURE 2 - QUALITY OF CUSTOMER SERVICE							
	2006 ACTUAL	2007 ACTUAL	2008 TARGET	2008 ACTUAL	2009 TARGET	2010 TARGET	2011 TARGET
PM.2: Percentage of residential and non-residential property owners, local governments and first nations, independently surveyed, who had direct contact with the corporation and provided a positive rating on 10 service indicators related to the quality of customer service they received from the corporation							
Residential/Non-Residential	86.0%	82.0%	83.5% +/-2.0%	82.0% Target Met	≥84%	≥84.5%	≥85%
Local Government/First Nations	95.0%	95.0%	95% +/-5%	n/a*	≥95%	n/a*	≥95%

*BC Assessment's local government and First Nations customers have requested that they be surveyed biennially to avoid survey fatigue and the independent market research firm advising BC Assessment supports this recommendation. Consequently, BC Assessment will not undertake a survey for local government and First Nations in 2008 or 2010 but will undertake the survey of these customer groups in 2009 and 2011.

Data source: Venture Market Research Ltd., May 2008. All surveys have an inherent margin of error. The surveys conducted in 2008 had a margin of error ranging from +/-3.1% for the residential survey to +/-3.3% for the non-residential survey. This means that the actual overall reported results of 82% for 2008 could actually be 3% higher or lower when the margin of error is taken into consideration.

Importance

BC Assessment's customer service commitment is to be reliable, accessible, uniform and respectful. Regular surveys allow our customers to tell us how we are doing, the feedback is used to improve services and products.

Setting Targets

Customer feedback is reviewed annually to identify areas where improvements can be made. Targets are based on past performance, an assessment of customer needs, and key improvement strategies to be undertaken. Targets have typically been set high to focus BC Assessment and its staff on the need

to continually seek ways to further improve customer service. BC Assessment conducts annual customer surveys with five key client groups using an independent market research firm. The qualifications and experience of the selected firm are evaluated through a Request for Proposal and BC Assessment is confident that the services received are reliable. The survey results were found to be reasonable when compared to historical trends and current market movement. Customer survey results are released publicly, and can be viewed at: www.bcasessment.bc.ca/news/index.asp.

The professional survey firm responsible for our customer market research in the past

few years had recommended a target of 80 per cent residential/non-residential customer satisfaction based on our past performance in this area and an average statistical result for similar government agencies. The Board felt that customer satisfaction is so important to the organization that we should set "stretch" targets of greater than or equal to 84 per cent to 85 per cent satisfaction for this customer group over the next three years.

Similarly, the target in the 2008 Service Plan for First Nations and local government had been set at 95 per cent (+/- 5%). This target is now set at greater than or equal to 95 per cent for the next three years in the 2009 Service Plan

GOAL 2: CUSTOMERS

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Similarly, the target in the 2008 Service Plan for First Nations and local government had been set at 95 per cent (+/- 5%). This target is now set at greater than or equal to 95 per cent for the next three years in the 2009 Service Plan

Our Performance

to reflect the Board's desire for a more precise and higher customer satisfaction measure for this group. More detail on the changes to the targets is noted in Appendix B.

Performance Highlights

Customer surveys were conducted with two key customer groups in 2008. A total of 959 residential and 893 non-residential property owners (businesses) were surveyed between April and May, 2008.

Overall, the survey results strongly indicate that the vast majority of clients were satisfied with the service that they received. The overall satisfaction rate of 82 per cent indicates that the 2008 target of 83.5 per cent (+/-2.0 %) satisfaction for property owners who had direct contact with BC Assessment was achieved.

Within the average satisfaction rate, residential property owners had an overall satisfaction rate of 81 per cent, an increase over 2007 results of 80 per cent. Non-residential property owners expressed an overall satisfaction rate of 89 per cent, up from 84 per cent in 2007.

The significant improvement in satisfaction rates for business owners reflects increased efforts to consult with this customer group, increased provision of information to industry customers to alert them at an early stage of any significant changes in market values, and a broader commitment to ensure that they understand the information provided.

In 2009, we will be considering modifications as part of our performance management program

to enable a yearly measurement of satisfaction with our services from the local government and First Nations customer groups.

BC Assessment faced a variety of risks and challenges that impacted the organization's ability to meet the increased customer satisfaction targets.

- Staff turnover and the time required to fully train and develop staff pose a challenge. Despite the significant turnover of staff in the past few years, we have seen an increase in the percentage of customers who agreed that staff are knowledgeable (from 84 per cent in 2007 to 87 per cent in 2008).
- Customer awareness of assessment processes and how these are used by taxing authorities is still relatively low as reported through our annual customer survey program, and this may have an impact on overall service quality perceptions.
- Our customers have told us in recent customer segmentation focus group sessions that accessing knowledgeable staff in a timely way is one of their fundamental requirements. Ongoing and focused efforts, such as our recent investment in a new telephone system, are helping to ensure the user-friendliness and accessibility of our services.
- Ensuring the accuracy of mailing addresses was identified as an issue by the Taxing Jurisdiction Advisory Committee, representing our local government customers who rely on this information to send out tax notices and other municipal information

such as utility use invoices. In response to this challenge, we have undertaken a number of data improvement projects aimed at enhancing our own business processes and we are working with the Land Title and Survey Authority to improve this data before it is inputted into our valueBC system.

Major Programs and Strategies

Customer Service: Customer service excellence training is a corporate priority, and staff training initiatives include a focus on promoting "accessible" customer service for property owners through enhanced website features on www.bcasessment.ca.

Accessible Services: BC Assessment takes pride in being accessible to its customers. Property owners can reach staff in a number of ways, including telephone (toll-free where applicable), email, or in person at 18 area offices located throughout the province. Additionally, BC Assessment's website contains comprehensive plain-language information regarding the assessment process and the assessment roll. In 2008, BC Assessment took steps to implement a new telephone system that makes it easier to reach staff. BC Assessment offers a variety of products and services, including Assessment LinkBC (enabling local government customers to search and create unique reports using property assessment data provided free of charge) and the Local Government Enhanced Information Service Delivery Initiative (improving the flow of data between taxing jurisdictions and BC Assessment). For more information on customer services and

Our Performance

initiatives, go to: www.bccassessment.bc.ca/customer_service.asp

Customer Segmentation Analysis: In 2008, an initiative to improve our understanding of customer views and needs was undertaken. Our initial focus has been on residential customers, and a series of seven workshops was conducted with property owners to better understand what matters most to them in relation to the services and products that BC Assessment offers.

Transparency and Fairness in the Appeal System: BC Assessment is supported by a review and appeal system that begins with our appraisers working with property owners to resolve questions and issues around the assessment process and assessed values. If issues cannot be resolved at this level, the matter can be referred to external, arms-length Property Assessment Review Panels (PARPs) for resolution. PARP decisions can be appealed by homeowners by referring the issues to the Property Assessment Appeal Board (PAAB).

Looking Ahead

BC Assessment has undertaken a range of initiatives to enhance customer service:

- Incorrect addresses and inconsistent address standards are one of the key areas where customers think BC Assessment can do better. Working directly with Canada Post, BC Assessment will correct errors in address standards across service areas. The improvement in address standards in our valueBC system can eliminate multiple

issues and thousands of false hits where the standard in the software utilized for address accuracy was faulty. BC Assessment is also working jointly with the Land Title and Survey Authority to improve the quality of mailing address information at the time a new or modified land title is created before this data is incorporated into valueBC.

- Continued investment in customer service training and other initiatives is helping to strengthen our customer-first ethic.
- Investment in new technologies and streamlined business processes have been undertaken to provide customers with more convenient access to products and services, and improved our ability to meet specific customer needs.
- Improvement strategies for all customer segments are underway based on the findings of the Customer Segmentation Strategy.

FIGURE 11: Quality of Customer Services - Residential Customers

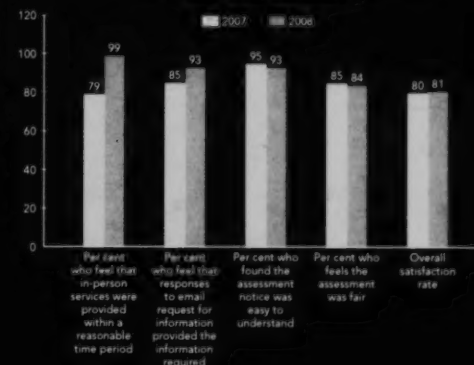
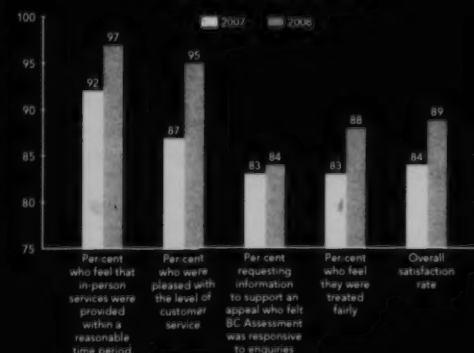


FIGURE 12: Quality of Customer Services - Non-Residential Customers



Our Performance



GOAL 3: RELATIONSHIPS

PERFORMANCE MEASURE 3 – QUALITY OF SERVICE – PROVINCIAL GOVERNMENT

	2006 ACTUAL	2007 ACTUAL	2008 TARGET	2008 ACTUAL	2009 TARGET	2010 TARGET	2011 TARGET
PM.3: Percentage of provincial government customers who had direct contact with the corporation and provided a positive rating on 10 service indicators related to the quality of customer service they received from the corporation	97.0%	95.0%	95%+/-5%	n/a*	≥95%	n/a*	≥95%

*Data source: Venture Market Research Ltd., May 2007.

*BC Assessment's provincial government customers have requested that they be surveyed biennially to avoid survey fatigue. The independent market research firm advising BC Assessment supports this recommendation to shift to a two-year cycle for surveying BC Assessment's provincial government customers. Consequently, BC Assessment will not undertake a survey for the provincial government in 2008 or 2010 but will undertake the survey of this customer groups in 2009 and 2011.

Importance

The provincial government is BC Assessment's sole Shareholder and depends on our products and services to meet a range of needs. As part of this unique business relationship, we are required to implement government assessment policy and strategic direction, and provide proactive assessment solutions that support government objectives. Monitoring the quality of our service enables us to identify where we are doing well, where we need to improve our performance and strengthen this relationship.

Setting targets

Beginning in 2006, BC Assessment independently surveyed provincial government customers annually about their satisfaction with available products and services. Customer feedback is reviewed annually, and areas where improvements can be made are identified. Targets are based on past performance, an assessment of customer needs, and key improvement strategies to be undertaken. Targets have typically been set high to focus BC Assessment and its staff on customer service.

BC Assessment conducts customer surveys with five key client groups using an independent market research firm. The qualifications and experience of the selected firm are evaluated through a Request for Proposal and BC Assessment is confident that the services received are reliable. The survey results were found to be reasonable when compared to historical trends and current market movement. Customer survey results are released publicly and can be viewed at: www.bcasessment.bc.ca/news/index.asp.

The target in the 2008 Service Plan for the provincial government had been set at 95 per cent (+/- 5 per cent). This target is now set at

Our Performance

greater than or equal to 95 per cent for the next three years to reflect the Board's desire for a more precise and higher customer satisfaction measure for this group. More detail on the changes to the targets is noted in Appendix B.

Performance Highlights

In 2008, at the request of this customer group, we implemented a biennial survey program. As a result, a survey was not conducted in 2008, but will be conducted in 2009 with this customer group and then again in 2011. In 2009, we will be considering modifications to this measure as part of our performance management program to enable a yearly and more consistent measurement of satisfaction with our services from this customer group.

Major Programs and Strategies

BC Assessment is implementing the recommendations from the comprehensive Relationship Building Strategy action plan to implement recommendations from the 2008 Phase 1 report. This includes regular meetings of the Assistant Deputy Ministers (ADM Committee) and joint ministry/BC Assessment Working Group.

Consistent with the Provincial government's new relationship with First Nations, and specifically in support of economic development on First Nations lands, BC Assessment supported the First Nations Tax Commission in the development and implementation of assessment and taxation

laws under the *First Nations Fiscal and Statistical Management Act*, [SC2005], c. 9.

Looking Ahead

BC Assessment will continue to promote more effective consultation and collaboration with our Shareholder, partners and stakeholders to ensure emerging issues are identified early and actions taken to manage them. Projects in support of the relationship strategy include developing a relationship initiative with the Union of B.C. Municipalities, Local Government Management Association, and the Government Financial Officers Association. Other projects in this strategy include collaboration with the Ministry of Community Development to develop methods of incorporating input from stakeholder groups such as the Canadian Property Tax Association and Vancouver Board of Trade for issue resolution and policy development. We will also continue to pursue efforts to more effectively provide needed information, and to ensure clients are aware of significant changes early so they are not surprised when they receive their assessment notice.

Our Performance

GOAL 4: PRODUCTS AND SERVICES

PERFORMANCE MEASURE 4 – PERCENTAGE OF ASSESSMENTS ACCEPTED WITHOUT APPEAL							
	2006 ACTUAL (2007 ASSESSMENT ROLL)	2007 ACTUAL (2008 ASSESSMENT ROLL)	2008 TARGET (2009 ASSESSMENT ROLL)	2008 ACTUAL (2009 ASSESSMENT ROLL)	2009 TARGET (2010 ASSESSMENT ROLL)	2010 TARGET (2010 ASSESSMENT ROLL)	2011 TARGET (2011 ASSESSMENT ROLL)
PM.4: Percentage of assessments accepted without appeal	97.8%	97.9%	98.0%	98.4% Target met	≥98.0%	≥98.0%	≥98.0%

Data Source: BC Assessment Quality Assurance Dept., Roll Statistics

Importance

BC Assessment interprets high acceptance of assessments by residential and non-residential property owners as a validation of the quality, accuracy and acceptance our work. Our internal corporate performance measure program further analyzes property appeal rates by property class. Property owners who do not agree with the estimate of their property's market value, exemption status, or who believe that their property was improperly classified, can challenge the assessment. BC Assessment will attempt to address property owner concerns by working with them to ensure they understand how their property assessment was determined and provide any additional information needed. If a change or correction is warranted, BC Assessment will recommend changes to a local Property Assessment Review Panel (PARP) - a three-member independent

panel. If the property owners still disagree with the assessment, they can request an independent review by a PARP. For this reason, an important measure of public acceptance of the annual assessment roll is the number of complaints (appeals) to (PARPs). BC Assessment tracks annual statistics to determine the number of residential and non-residential property owners who apply in writing or online for an independent review of their assessment by a PARP (refer to page 20 for more information on appeal rates over time). The range of options available to property owners is outlined on page 15. Property Assessment Appeal Board (PAAB) appeal rates are not included in this measure as these hearings can take a number of years to resolve and may skew the results for the annual performance measure program.

Setting targets

Targets were chosen based on historical trends. For residential property owners, formal complaints (appeals) each year are usually submitted by less than two per cent of all residential owners. For non-residential property owners, this number is usually less than five per cent. Consistent, high results for this measure indicate that assessed values are accepted by property owners without recourse to appeal, and attests to the quality of the assessment roll. Based on internal analysis, 98 per cent represents a good balance between efficiency and accuracy in the assessment process under normal circumstances. Data quality is maintained through internal controls, including a review and audit of the complaint data and comparison to historical trends and current market movement to ensure its accuracy.

Our Performance



GOAL 4: PRODUCTS AND SERVICES

PERFORMANCE MEASURE 4 – PERCENTAGE OF ASSESSMENTS ACCEPTED WITHOUT APPEAL

	2006 ACTUAL (2007 ASSESSMENT ROLL)	2007 ACTUAL (2008 ASSESSMENT ROLL)	2008 TARGET (2009 ASSESSMENT ROLL)	2008 ACTUAL (2009 ASSESSMENT ROLL)	2009 TARGET (2010 ASSESSMENT ROLL)	2010 TARGET (2010 ASSESSMENT ROLL)	2011 TARGET (2011 ASSESSMENT ROLL)
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Data Source: BC Assessment Quality Assurance Dept., Roll Statistics

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Our Performance

Performance Highlights

BC Assessment recorded significant decreases in both public inquiries and property appeals in response to the 2009 assessment roll. The 2008 (2009 assessment roll) target for residential and non-residential property owners was achieved – a significant accomplishment considering the volatile real estate market in almost all areas of British Columbia and continual growth in the total number of parcels to be assessed and overall roll value. In a year in which property values fluctuate significantly, there is generally greater customer concern and scrutiny of assessments. The significant drop in inquiries and appeals in 2009 continues a downward trend in appeals (see Figure 7) that has been occurring over the past three years. Greater efforts to improve the accessibility of information for concerned property owners and the Bill 45 directed roll undertaken in late 2008 both helped to maintain customer confidence in the validity of the roll.

Integrity of the data is a vital component of any information system. BC Assessment relies on its data not only to carry out its mandate of producing accurate annual property assessments, but also to satisfy many customers' property-related information needs. BC Assessment could fail in its mandate, if it does not continually check and improve its data integrity.

- The Quality Assurance and Audit Departments both regularly audit data to ensure BC Assessment can continue to produce accurate and uniform property assessments and meet customers' needs for assessment information.
- In 2008, Quality Assurance ran approximately 145 monthly quality assurance and over 200 other data checks. These processes are used to identify and correct data errors, and to improve the overall quality and usefulness of our information base.
- The internal Audit Department continues to revise its audit and advisory services program in BC Assessment. The annual Audit Plan includes reviews of critical systems and processes that have an impact on data integrity.

Major Programs and Strategies

The key to improving property owner acceptance of an assessment is to listen and respond to customer concerns, to improve customer service and access to information about how their assessment was determined, and to provide education and awareness about the assessment system.

BC Assessment increased the availability of comparative sales information and improved the scheduling process for Property Assessment Review Panel hearings to ensure that those who wish to appeal their assessments are provided with the information and the opportunity

to participate fully in the process. Changes such as expanding the functionality of the popular e-valueBC feature on BC Assessment's website and launching online appeal and appeal withdrawal forms have meant increased convenience and transparency of assessment information for property owners. Other supporting programs and strategies include:

- **Access to Information:** BC Assessment met the legislated response deadlines for all *Freedom of Information and Protection of Privacy Act*, [RSBC 1996], c. 165 requests and, to promote the benefits of transparent, open government, sent a "Right to Know" quiz to all staff and promoted training sessions on the legislation.
- **Ensuring and Measuring Uniformity and Quality in the Assessment Rolls:** Approximately 100 quality assurance audits are run each year to assist the field offices in ensuring that data is uniform and reliable. In addition, new quality assurance audits that were developed in the fall of 2008 as a result of *Bill 45*, and a new audit process was implemented for non-market change. Non-market change includes such things as zoning or land use changes, new developments or reclassification of the land, all of which can have an impact on the value of the property and the stability of the tax base.
- **Monitoring Market Trends:** There is ongoing analysis and communication of market trends internally and to our customers.

Our Performance

- **Transparent/Open Complaint Process:**

We provide online and other information materials to promote public awareness of the complaint process.

Looking Ahead

Promoting public awareness of the assessment and complaint/appeal process and improving transparency and access to the information upon which assessments were based will enable the BC Assessment to maintain low rates of complaints. This requires the adoption of new technologies and improving both the access and convenience of information that is available for our customers. Projects that improve access and convenience include the investment in a new telephone system and a complete revamping of our website services. As we move forward, there is also a need to improve the current range of programs and services to ensure continued improvements in the quality and accuracy of our products and assessment services.

Our Performance



GOAL 4: PRODUCTS AND SERVICES

PERFORMANCE MEASURE 5 – ASSESSMENT TO SALES RATIO							
	2006 ACTUAL (2007 ASSESSMENT ROLL)	2007 ACTUAL (2008 ASSESSMENT ROLL)	2008 TARGET (2009 ASSESSMENT ROLL)	2008 ACTUAL (2009 ASSESSMENT ROLL)	2009 TARGET (2010 ASSESSMENT ROLL)	2010 TARGET (2010 ASSESSMENT ROLL)	2011 TARGET (2011 ASSESSMENT ROLL)
PM.5: Assessment to Sales Ratio (ASR) – residential	96.5%	96.8%	>97%*	96.8% Target not met	97-100%	97-100%	97-100%
PM.5: Assessment to Sales Ratio (ASR) – non-residential	95.0%	94.2%	>95%**	94.2% Target not met	95-100%	95-100%	95-100%

Data Source: BC Assessment Quality Assurance Dept., Roll Statistics

*The target in the 2008-2010 Service Plan was initially set at >97% but was amended for the 2009-2011 Service Plan beginning for the 2010 roll year to reflect the IAAO's standard practice of employing a range.

**The target for 2008-2010 Service Plan was initially set at >95% but was amended for the 2009-2011 Service Plan beginning for the 2010 roll year to reflect the IAAO's standard practice of employing a range.

Importance

The Assessment to Sales Ratio (ASR) is a roll quality measure set by the International Association of Assessing Officers (IAAO). The ASR is important because it measures how closely assessments mirror a property's actual selling price, or market value.

Setting targets

The IAAO has set the median ASR standard between 90 and 110 per cent. However, BC Assessment has set more precise targets in its 2009-2011 Service Plan – between 97 and 100 per cent for the residential assessment roll, and between 95 and 100 per cent for the non-

residential assessment roll.

BC Assessment's statistics for ASR are based on all available single-family residential arms-length sales for the two quarters surrounding the Corporation's valuation date of July 1 (i.e., April 1, 2008 to September 30, 2008). For non-residential sales, data is based on sales occurring throughout the year.

Performance Highlights

For 2008 (the 2009 Assessment Roll), ASR targets were not met for the residential and non-residential property groups. Despite missing our targets for this measure, the results are within the acceptable roll quality standards set out by the IAAO and constitute an exceptional success considering the dynamic and variable real estate market in 2008, and the requirements under *Bill 45* to produce a hybrid roll for the 2009 roll year.

The 2009 Assessment roll delivered a fair and equitable assessment for property owners in B.C., and contributed to the significantly reduced appeal rates (see Figure 7). The 2009

Our Performance



GOAL 4: PRODUCTS AND SERVICES

PERFORMANCE MEASURE 5 – ASSESSMENT TO SALES RATIO

	2006 ACTUAL (2007 ASSESSMENT ROLL)	2007 ACTUAL (2008 ASSESSMENT ROLL)	2008 TARGET (2009 ASSESSMENT ROLL)	2008 ACTUAL (2009 ASSESSMENT ROLL)	2009 TARGET (2010 ASSESSMENT ROLL)	2010 TARGET (2010 ASSESSMENT ROLL)	2011 TARGET (2011 ASSESSMENT ROLL)
PM.5: Assessment to Sales Ratio (ASR) – residential	96.5%	96.8%	>97%*	96.8% Target not met	97-100%	97-100%	97-100%
PM.5: Assessment to Sales Ratio (ASR) – non-residential	95.0%	94.2%	>95%**	94.2% Target not met	95-100%	95-100%	95-100%

Data Source: BC Assessment Quality Assurance Dept., Roll Statistics.

*The target in the 2008-2010 Service Plan was initially set at >97% but was amended for the 2009-2011 Service Plan beginning for the 2010 roll year to reflect the IAAO's standard practice of employing a range.

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residential assessment roll.

BC Assessment's statistics for ASR are based on all available single-family residential arms-length sales for the two quarters surrounding the Corporation's valuation date of July 1 (i.e., April 1, 2008 to September 30, 2008). For non-residential sales, data is based on sales occurring throughout the year.

Performance Highlights

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The 2009 Assessment roll delivered a fair and equitable assessment for property owners in B.C., and contributed to the significantly reduced appeal rates (see Figure 7). The 2009

Our Performance

assessment roll, however, created challenges. It considered both 2007 and 2008 market values, and the lower of the two was the basis for the 2009 assessment. This approach was not considered when the target was initially set. The methods used to develop the ASR and Coefficient of Dispersion (COD) were different for the Bill 45 2009 roll than in previous years. However, BC Assessment feels that the results from the 2009 roll can be reasonably compared to performance in previous years as noted under the assessment roll quality section in Appendix A.

Major Programs and Strategies

Key corporate strategies include measuring and ensuring the uniformity and quality in the assessment rolls, and developing best practices and business rules to ensure uniformity and efficiency. BC Assessment has an internal Quality Assurance Program that regularly reviews the quality and accuracy of assessment information. Each year, an annual Roll Quality Report is produced that compares each roll quality measure to international standards. The report is reviewed by staff, the Executive Management Team and the Board of Directors to determine if there are opportunities to improve data quality. The internal audit program continues to undertake audits in high-priority areas, and to provide further assurance that the organization has established sufficient processes and controls to consistently produce a high-quality assessment roll. As an example of our commitment to a verifiable uniform

assessment roll, we are in year two of a two-year audit project to analyze our performance in undertaking sales editing and potentially inappropriate sales reassessment practices as part of the development of the assessment roll. For the 2008 roll year, there were a total of 57,127 sales as registered with the Land Titles and Survey Authority. BC Assessment, through its province-wide business rules program, excluded 19,964 of these transactions because they did not meet the standard for inclusion in the valuation process. The 2009 audit project analyzing the sales editing and sales reassessment practices will review the rationale and documentation of the sales excluded from the valuation process. Sales are the basis of the assessment roll, and this area needs to be well executed and documented to provide auditable assurance of integrity in the performance measures such as ASRs and CODs that support roll quality.

Looking Ahead

High-quality assessments remain the foundation of BC Assessment's mandate. BC Assessment will continue to promote uniformity and quality in the assessment rolls through the common application of statutes, policies, business rules and best practices throughout the province.

Our Performance

GOAL 4: PRODUCTS AND SERVICES

PERFORMANCE MEASURE 6 – COEFFICIENT OF DISPERSION (COD)							
	2006 ACTUAL (2007 ASSESSMENT ROLL)	2007 ACTUAL (2008 ASSESSMENT ROLL)	2008 TARGET (2009 ASSESSMENT ROLL)	2008 ACTUAL (2009 ASSESSMENT ROLL)	2009 TARGET (2010 ASSESSMENT ROLL)	2010 TARGET (2010 ASSESSMENT ROLL)	2011 TARGET (2011 ASSESSMENT ROLL)
PM.6: Coefficient of Dispersion (COD) - urban	7.4%	7.0%	<10%	7.5% Target met	<10%	<10%	<10%
PM.6: Coefficient of Dispersion (COD) - rural	10.9%	9.8%	<15%	10.9% Target met	<15%	<15%	<15%

Data Source: BC Assessment Quality Assurance Dept., Roll Statistics

Note: PM 6 is a new measure added into the 2009 Service Plan. Details on the changes in goals, measures and associated targets are detailed in Appendix B.

Importance

The Coefficient of Dispersion (COD) measures the quality of assessments by calculating the dispersion, or spread, of all the ASRs around the median ASR. Less dispersion indicates higher-quality assessment information, and would be reflected by a lower COD. This is a measure of appraisal uniformity. BC Assessment measures the COD for properties located in both urban and rural areas according to internationally recognized standards. The target for rural properties is higher than it is for residential properties in urban areas because rural areas are typically less comparable to each other. An example of calculating a COD is provided in Appendix A.

BC Assessment has been measuring the COD as a core part of measuring roll quality in our internal corporate performance management system. The 2008-2010 Service Plan did not contain the COD as part of the plan's strategic measures. For the 2009-2011 Service Plan, however, the Board determined that this measure was very important in reporting on roll quality and is complementary to the ASR measures. As a result, the COD has now become one of our strategic performance measures, and is included in our new Service Plan. Details on the changes in performance measures and targets are noted in Appendix B.

Setting targets

The COD standard set by the IAAO for single-family residential properties is under 15 per cent for urban regions and under 20 per cent for rural regions. BC Assessment set targets of under 10 per cent and under 15 per cent, respectively. BC Assessment's statistics for the COD are based on all available single-family residential arms-length sales for the two quarters surrounding the Corporation's valuation date of July 1 (i.e., April 1, 2008 to September 30, 2008). In regions with significant market movement over the six-month period, the dispersion will be overstated.

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GOAL 4: PRODUCTS AND SERVICES

PERFORMANCE MEASURE 6 – COEFFICIENT OF DISPERSION (COD)							
	2006 ACTUAL (2007 ASSESSMENT ROLL)	2007 ACTUAL (2008 ASSESSMENT ROLL)	2008 TARGET (2009 ASSESSMENT ROLL)	2008 ACTUAL (2009 ASSESSMENT ROLL)	2009 TARGET (2010 ASSESSMENT ROLL)	2010 TARGET (2010 ASSESSMENT ROLL)	2011 TARGET (2011 ASSESSMENT ROLL)
PM.6: Coefficient of Dispersion (COD) – urban	7.4%	7.0%	<10%	7.5% Target met	<10%	<10%	<10%
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Data Source: BC Assessment Quality Assurance Dept., Roll Statistics.

Note: PM 6 is a new measure added into the 2009 Service Plan. Details on the changes in goals, measures and associated targets are detailed in Appendix B.

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The Coefficient of Dispersion (COD) measures the quality of assessments by calculating the dispersion, or spread, of all the ASRs around the median ASR. Less dispersion indicates higher-quality assessment information, and would be reflected by a lower COD. This is a measure of appraisal uniformity. BC Assessment measures the COD for properties located in both urban and rural areas according to internationally recognized standards. The target for rural properties is higher than it is for residential properties in urban areas because rural areas are typically less comparable to each other. An example of calculating a COD is provided in Appendix A.

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Our Performance

Performance Highlights

BC Assessment achieved a COD of 7.5 per cent which is substantially below the 2008 (2009 roll) target of less than 10 per cent. This achievement is significant given the unpredictability of the real estate market and continued growth in new construction and properties in 2008. As noted in the discussion of the Assessment to Sales Ratio, the approach taken to create the 2009 assessment roll was unique. BC Assessment feels that the 2009 roll results compare favourably to performance in previous roll years. The comparisons between the roll years are noted in Appendix A. The achievement of the COD target for the 2009 roll year indicates that the methods employed in developing this roll in response to Bill 45 delivered a fair and equitable assessment for property owners in B.C. This success contributed to the significantly reduced appeal rates for the 2009 Roll.

Major Programs and Strategies

BC Assessment has an internal Quality Assurance Program that regularly reviews the quality and accuracy of assessment information. Each year, an annual Roll Quality Report is produced that compares each roll quality measure to international standards. Internal Audit continues to implement audits in high-priority areas, and to provide further assurance that the organization has established sufficient processes and controls to consistently produce a high-quality assessment roll. The audit-related projects identified in the discussion of programs and strategies supporting the

Assessment to Sales Ratio targets are equally relevant to achieving COD targets.

Looking Ahead

High-quality assessments remain the foundation of what BC Assessment does. BC Assessment will continue to promote uniformity and quality in the assessment rolls through the common application of statutes, policies, business rules and best practices throughout the province. In addition, continued development of the quality assurance and internal audit programs will further enhance roll quality.

Our Performance

✓ GOAL 5: EFFECTIVENESS

PERFORMANCE MEASURE 7 – ROLL STABILITY							
	2006 ACTUAL (2007 ASSESSMENT ROLL)	2007 ACTUAL (2008 ASSESSMENT ROLL)	2008 TARGET (2009 ASSESSMENT ROLL)	2008 ACTUAL (2009 ASSESSMENT ROLL)	2009 TARGET (2010 ASSESSMENT ROLL)	2010 TARGET (2010 ASSESSMENT ROLL)	2011 TARGET (2011 ASSESSMENT ROLL)
PM.7: Percentage of total general purpose taxes that are refunded by the taxing jurisdictions resulting from the supplementary roll process by December 31 for the assessment roll created two years previously (i.e., 19 months of changes)	≤0.36 of 1%	≤0.38 of 1%	≤0.40 of 1%	0.29 of 1% Target met	≤0.37 of 1%	≤0.37 OF 1%	≤0.37 OF 1%

Data Source: BC Assessment Quality Assurance Dept., Roll Statistics.

Note: PM 7 is a new measure added into the 2009-2011 Service Plan. Details on the changes in goals, measures and associated targets are detailed in Appendix B.

Importance

A stable, dependable assessment roll is vital to taxing authorities. In any given year, property status can change and new properties may be created while others are deleted. There were just under 34,000 new properties identified in the rolls in 2008. BC Assessment analyzes the number of additions and deletions made to the assessment roll each year to provide taxing jurisdictions with a complete roll that is used to determine tax rates and apply them fairly to all property owners. Since they use our assessments to provide the tax base that ultimately funds their public services, the performance measure of roll stability is

accepted by all taxing jurisdictions as a critical measure of performance for BC Assessment. The roll stability measure, although part of our ongoing internal corporate performance measurement program, was an addition in our 2009-2011 Service Plan and reflects the significance of this measure to our customers. Details on the changes to our performance measures from the 2008-2010 to 2009-2011 Service Plan are noted in Appendix B.

Setting targets

The performance measure examines taxes refunded as a result of a supplementary roll (changes to the roll after the official close

of the creation of annual assessment roll). Supplementary changes are made to correct property information, or to account for revised property values resulting from PARP or PAAB decisions (it may take up to 10 years to resolve individual cases). Although value changes to the roll can be negative or positive, only the refunds are considered in this measure, because tax refunds reduce the amount of money that municipalities have available to them. The 2008 target year measures the 2007 roll stability by examining taxes refunded owing to supplementary rolls issued between May 1, 2007 and December 31, 2008. Senior Assessment and Quality Assurance staff

Our Performance

☒ GOAL 5: EFFECTIVENESS

PERFORMANCE MEASURE 7 – ROLL STABILITY							
	2006 ACTUAL (2007 ASSESSMENT ROLL)	2007 ACTUAL (2008 ASSESSMENT ROLL)	2008 TARGET (2009 ASSESSMENT ROLL)	2008 ACTUAL (2009 ASSESSMENT ROLL)	2009 TARGET (2010 ASSESSMENT ROLL)	2010 TARGET (2010 ASSESSMENT ROLL)	2011 TARGET (2011 ASSESSMENT ROLL)
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Our Performance

consider past performance and new business processes and quality improvements underway annually when they set targets for future years.

Performance Highlights

BC Assessment exceeded the 2008 target (2007 roll) of less than or equal to 0.40 of 1 per cent with refunds amounting to 0.29 of 1 per cent of general purpose tax revenues. The results for the 2007 assessment roll are a significant achievement given the market volatility and continued growth in new properties and construction during that year. Targets are reviewed annually, but the prescribed three-year targets represent the historical roll stability levels.

Major Programs and Strategies

The programs and strategies that contribute to roll stability encompass the assessment process, data collection, the management of information and even the distribution of information. Each year, a range of projects are undertaken to improve the overall quality of the roll which, in turn, contributes to roll stability. Improvement projects are also undertaken each year for specific customer segments. In 2007, the focus was on residential properties where manuals used for assessing properties across the province were updated. In 2008, tourism sector properties were the focus, and methods for assessing these properties were enhanced by making greater use of spatial data and on-site inspections to enable more accurate data collection and assessment.

Key areas of risk managed through specific programs and initiatives include:

- **Enterprise-wide Quality Assurance Plan:** There is a need to define quality for a broader range of business processes in the context of the organization's overall enterprise structure. The Quality Assurance Program has been in place since 2003 and continues to be a critical part of ensuring confidence and trust in the data and processes that are used to create the roll.
- **Key Performance Indicators for Quality Assurance Program:** BC Assessment property data needs to be structured to facilitate self-service for Key Performance Indicators and to provide value-added services through a basic tool kit. Processes such as the production of the annual assessment roll are being automated and data accessibility is being enhanced through the development of a data warehouse. Audits within the quality assurance and internal audit programs are used to ensure sound business processes and a high level of data quality.

Looking Ahead

BC Assessment will continue to strengthen its working relationships with taxing authorities through the Taxing Jurisdiction Advisory Committee (which represents our local government customers) to ensure prompt identification and action on issues that affect roll stability. Continued development of the quality assurance and internal audit programs will further enhance roll quality.

Our Performance

✓ GOAL 5: EFFECTIVENESS

PERFORMANCE MEASURE 8 – COST PER PROPERTY							
	2006 ACTUAL	2007 ACTUAL	2008 TARGET	2008 ACTUAL	2009 TARGET	2010 TARGET	2011 TARGET
PM.8: Cost per property for assessment services funded from property tax levies not increasing at a rate greater than inflation	\$35.27	\$37.32	\$39.00	\$36.96 Target Met	\$39.41	\$40.75	\$42.14

Data Source: BC Assessment Finance Department, Financial summary.

Importance

This performance measure reflects BC Assessment's commitment to keeping assessment service costs for property owners as low as possible while continuing to meet growing service demands in an increasingly complex business environment. BC Assessment relies on property tax levies for the largest part of its revenues, so efficiency and cost-effectiveness are required to minimize any increases to levies.

Setting targets

The cost per property for assessment services funded from tax levies has been calculated by taking total expenditures for the year (less revenues which are not categorized as 'tax levies', 'payments in lieu of taxes', and 'First Nations revenue'), and dividing this by the number of properties for the revised roll produced in the following year. The targets

for 2009 to 2011 are based on Service Plan forecasts, which take into consideration projected new construction and development as well as assumptions regarding changes in revenues and expenditures. The targets reflect a commitment by the Board of Directors to limit increases in the cost-per-property tithe rate of inflation each year, reinforcing our commitment to increasing efficiencies within BC Assessment.

BC Assessment maintains appropriate internal controls and reports regularly to the Audit and Finance Committee and Board of Directors and quarterly to the Office of the Comptroller General. BC Assessment is subject to an annual external audit of its financial statements, currently performed by the Office of the Auditor General. These controls ensure data quality and reliability.

Performance Highlights

BC Assessment met its cost per-property-target for 2008. The average cost for assessment services was \$36.96, close to \$2 lower than the target of \$39.00. This variance from target resulted primarily from lower expenditures in 2008 compared to budget. Details on our financial performance for 2008 are outlined in the management's discussion and analysis section starting on page 48.

BC Assessment has maintained a reasonably consistent cost per property over the last few years despite significant new construction and development, which increases the number of properties requiring assessment services. Market movement requires significant staff time to appraise, value and analyze the additional properties added to the assessment roll. Over the last decade, the number of properties in the province has increased an average of 1.5 per cent per year. This equates to adding

Our Performance

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Our Performance

a community the size of Chilliwack, Prince George or Nanaimo to the assessment base annually. The property value per employee has also increased markedly, from just under \$600 million per employee in 2000, to almost \$1.4 billion in 2008. These figures are an indicator of the significant increases in work volume with fewer staff resources. Overall, business processes and supporting systems have improved, and allowed BC Assessment to manage this growing portfolio with a smaller staff complement.

Major Programs and Strategies

BC Assessment is committed to its goal of fiscal responsibility. Maintaining the cost of assessment services is supported by the corporate strategy of developing best practices and business rules to ensure uniformity and efficiency. Key Initiatives undertaken in 2008 included:

- **Forms Reduction:** Our forms reduction initiative is in support of government's regulatory reform project. Since September 2007, we have eliminated 456 regulatory documents. This has included a reduction of 11 policies, 10 templates and 435 forms.
- **Business Rules:** All existing business rules have been consolidated into one area and related documentation assembled by subject (i.e. policy, forms and letters) on our internal website to improve the accessibility and convenience of accessing this information by staff. Our 2009 Audit Plan has identified

business rules as a project for completion this year to strengthen this area as part of our internal management controls system. This is expected to serve as a foundation to support the development of coordinated, BC Assessment-wide improvements to business processes.

BC Assessment manages a range of strategic risks that affect overall performance in this area that are detailed in the section *Strategic Risks* on page 44. Some of these risks are noted below.

- Pronounced changes upward or downward in the provincial economy can rapidly and inequitably impact real estate values and make it more difficult to maintain a stable and predictable tax base. British Columbia's strong economic growth in recent years is reflected in dynamic and uneven real estate market price changes which can lead to substantial shifts in property tax burden. The doubling of assessed property value per BC Assessment employee over the past seven years creates additional capacity issues for the organization. Increasing transparency of property assessment information assists property owners in ensuring that their assessments are fair and equitable during periods of market volatility.
- Producing the assessment rolls each year by the legislated deadlines and within budget and human resource limitations presents organizational capacity challenges. This has intensified in recent years as a result of

an extremely active real estate market, a competitive employment market, and higher rates of retirement and staff turnover. The current employment market and higher rates of retirement could place pressures on BC Assessment with respect to its staffing capacity. While some needed skill-sets are now more readily available due to the downturn in the economy, a competitive employment market, combined with high rates of retirement in BC Assessment, will continue to increase the risk of skill gaps in some functional areas in the organization.

Looking Ahead

BC Assessment is committed to limiting increases in the average cost per property for assessment services funded from property tax levies to no more than the rate of inflation. This will continue to challenge the organization in the context of volatility in the real estate market. In response, BC Assessment will maintain the current programs aimed at providing efficiencies that include working in specialized appraisal teams, ensuring consistency of valuation policies, and developing best practices and business rules. BC Assessment will improve performance by:

- Making the investments in technology and tools to gain efficiencies.
- Exploring partnership opportunities with other organizations (local government, etc) to cost share on key initiatives critical to achieving objectives.

A Balanced and Evolving Approach to Performance Measurement

Our measures provide a scorecard that tells us how we are doing. By using a balanced reporting portfolio, we can see how well we are delivering mandated services and meeting customer needs, and also measure how well we are managing the assets and business processes that enable cost-effectiveness in the long term. That is why we have goals in relation to our people, customers, relationships, products and services, and effectiveness. Good performance measurement is not intended to be static. BC Assessment is committed to continuous evaluation and improvement of its key predictive indicators. This ensures that our approach to performance measurement creates a meaningful gauge to evaluate our performance in order to better serve our customers, stakeholders and Shareholder.

The performance measures contained in this report have been chosen by our Board of Directors from numerous indicators to track and guide overall performance. They extend beyond traditional financial measures of success to consider other outcomes that reflect

corporate goals.

Benchmarking to other Canadian Assessment Jurisdictions

For several years, the Corporation has been exchanging information with other Canadian assessment jurisdictions (municipal and provincial) to develop a set of performance measures that enables comparison across the range of factors (see Figure 13) that underpin a successful assessment organization. These comparisons give BC Assessment confidence that the property assessment process in this province provides high-quality, uniform assessments for property owners and taxpayers. Making direct comparisons between BC Assessment's performance results and the results of other assessment jurisdictions is limited to a few select measures at this time due to different jurisdictional service areas, organizational structures, assessment cycles and legal requirements. The most comparable measures would be those related to roll quality, uniformity and fairness. Benchmarking on an

annual basis supports BC Assessment's ability to develop good performance measurement that leads to improved practices. The improvements resulting from benchmarking will eventually be found, as the program matures, in our appraisal practice and policy development, audit techniques, key performance indicators, customer service and surveys, staff training and development opportunities, and competencies for staff and our legislative framework.

An example of improvements in processes within BC Assessment that have resulted from benchmarking includes the specialization initiative which has set up distinct teams to value specific property types such as farms, industrial commercial investment and residential. The objective of this initiative is to improve the uniformity of assessments across B.C., and increase our efficiency in assessing properties.

The most comparable measures between jurisdictions are the assessment to sales ratio and coefficient of dispersion, which relate to roll quality, uniformity and fairness. These

A Balanced and Evolving Approach to Performance Measurement



Strategic Risks

FIGURE 13: Benchmarks

PERFORMANCE MEASURE	INTERNATIONAL ASSOCIATION OF ASSESSING OFFICERS (IAAO) STANDARDS	BC ASSESSMENT 2007 TARGET (2008 ROLL YEAR)	BC ASSESSMENT - ACTUAL (2008 ROLL YEAR)	AVERAGE RESULT OF CANADIAN JURISDICTIONS PARTICIPATING IN BENCHMARKING STUDY
Assessment to Sales Ratio (Roll Quality)	90 - 110% for Residential Properties	97-100%	96.8%	98.9%
Coefficient of Dispersion (Uniformity)	<15% for urban properties	<10%	7.0%	n/a
	<20% for rural properties	<15%	9.8%	n/a
	Combined urban and rural	n/a	7.2%	8.9%*

Note: Other Canadian Jurisdictions combine urban and rural CODs into a single, blended measure. BC Assessment has refined this measure to differentiate between urban and rural properties, but it can also develop a combined measure for comparison purposes with other jurisdictions.

measures are used by most assessment jurisdictions and, as a result, these international standards are used to gauge performance. A small sample of the most recent benchmarking information, available for the 2008 roll year for single-family residential properties, is reflected in Figure 13.

The benchmarking information above demonstrates that BC Assessment meets international standards for roll quality, uniformity, equity and fairness and provides the taxpayer in B.C with the evidence that we are a well-run assessment organization that compares favourably with other jurisdictions in Canada.

Strategic Risks

BC Assessment is systematically building a risk management strategy to effectively mitigate uncertainties and has adopted the Australian/New Zealand Standard (AS/NZS 4360:2004), an internationally recognized best practice risk management model.

Enterprise-wide risk management processes were enhanced through the development of a risk management policy, an evaluation of risk-level maturity, development of standardized risk registers and the establishment of a risk tolerance template. These are to be used for improved consistency and objectivity in evaluating the likelihood and consequence of identified risk. In 2008, we increased our capacity to assess risks and more effectively

manage them. In addition, national emerging assessment issues were identified and prioritized through BC Assessment's participation in the Canadian Directors of Assessment forum. The Internal Audit Department continues to provide independent assurance to BC Assessment's Audit and Finance Committee that management has implemented an effective system of internal controls to manage the risks facing the organization. The three-year Internal Audit Plan, which is based on a comprehensive risk assessment of the organization, is updated annually.

Strategic planning and performance processes have been enhanced through the introduction of a comprehensive planning and performance management framework that includes a Corporate Operating Plan and

Strategic Risks

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Strategic Risks

Divisional Operating Plans that are linked to Corporate Performance Measures. Corporate and Regional Performance Reports and Improvement Plans were being implemented to enhance continuous improvement throughout the organization and align employee activities with the goals and objectives identified in the Service Plan.

At a corporate level, BC Assessment determines principal strategic risks and opportunities through facilitated sessions with the Board of Directors, the Executive Management Team, managers and staff, and through comparisons with other assessment jurisdictions across Canada. The risks and the response strategies were assessed in relation to our five key goals: were identified as part of the development of the 2008-2010 and the 2009-2011 Service Plans. More specific risks have also been identified with the discussion of performance in relation to each of the goals in the *Our Performance* section (see

page 21).

Several key changes were made to our framework of risks over the 2008 period.

- **People:** An initial focus on addressing critical skill gaps created by an aging workforce and a growing number of retirements led to a broader consideration of risks. This involves maintaining organizational capacity, and the level of staff engagement, and how this impacts on customer service and BC Assessment's performance.
- **Public Confidence and Trust:** Our approach to risk places greater weight on impacts related to public confidence and trust. Such as data integrity and quality.

More generally, categories of risk have been broadened and focus on a smaller number of success factors for BC Assessment.

TECHNOLOGICAL ADVANCES	
RISK FACTORS AND SENSITIVITIES	RESPONSE STRATEGIES
Delivering on BC Assessment's vision may be challenged by the capacity of the organization to respond to fast-paced technological advancements, risks to data security, increased costs for the development and operations of information technology and growing customer expectations for new web-based services.	To ensure business continuity, respond to customer needs, and increase efficiencies in technology, BC Assessment has undertaken the following: • Merged our Information Technology and Customer System Services Departments • Added new specialized Information Technology resources • Implemented the recommendations from the KPMG valueBC audit • Implemented a new multi-year Information Systems Plan. These actions address the strategic focus areas of People and Culture, Customers, Products and Services, and Effectiveness.

Strategic Risks

TALENT MANAGEMENT	
RISK FACTORS AND SENSITIVITIES	RESPONSE STRATEGIES
Attracting and retaining people with required professional or technical skills is crucial in meeting the evolving business needs of BC Assessment. This factor is especially relevant when human resources are scarce, and the workforce increasingly spans several generations that may have differing needs for training, job flexibility and total compensation.	People and Culture is now our number one strategic focus area. The Executive Management Team was restructured to focus on this goal. Initiatives being implemented to increase our employee engagement so we can continue to meet our customer service commitments include: • Ensuring a supply of well-qualified employees. • Developing an engaged workforce with consistently high levels of performance. • Establishing a learning culture where employees demonstrate leadership, develop skills and share knowledge. To deliver on these initiatives, BC Assessment developed a retention and recruitment strategy, continued to invest in corporate training programs in key areas such as leadership development, and launched the development of a staff engagement strategy. It is developing corporate and local office action plans in response to the annual staff survey.

FINANCES	
RISK FACTORS AND SENSITIVITIES	RESPONSE STRATEGIES
The funding model for BC Assessment, which relies almost exclusively on a fixed annual assessment levy to each property owner, challenges the organization to quickly respond to increasing costs, the steadily growing number of properties and new developments.	To address the challenges and work within the current funding model, BC Assessment will be undertaking a number of initiatives as specified in its 2009–2011 Corporate Operating Plan. These include: • Continuing the implementation of an enhanced corporate planning and performance management program that provides greater integration between planning, budgeting and reporting. • Leveraging and enhancing technology to increase efficiencies. • Improving effectiveness and efficiency in collecting and maintaining data. These initiatives address the strategic focus area of Effectiveness.

Strategic Risks

TRUST AND CONFIDENCE IN THE SYSTEM	
RISK FACTORS AND SENSITIVITIES	RESPONSE STRATEGIES
A loss of trust and confidence in the assessment system by the people of B.C. could result in a significant increase in the number of property appeals and also challenge the validity of the overall assessment system in B.C.	To ensure our customers, stakeholders and partners maintain their trust and confidence in the system, BC Assessment continues to define and improve customer service levels by keeping current with industry benchmark standards, appraisal techniques and policies. In addition, we have completed or will be undertaking a number of initiatives including: • We implemented <i>Bill 45</i> that directed BC Assessment to use the lower assessment number at July 1, 2007 or July 1, 2008 (the valuation dates for the past two years) in determining a property's assessed value for 2009 to respond to the significant market value declines in late 2008. • We have increased our focus on customer service by implementing the second phase of the Customer Service Excellence training program; incorporating results of customer surveys in future plans and initiating a customer segmentation analysis. We have revised our annual public communications campaign to address how the significant downturn in market values is impacting assessments across the province. • We have developed relationship strategies with the Shareholder and stakeholders to proactively respond to emerging property valuation issues. These strategies have included setting up forums between BC Assessment and the Ministries of Community Development and Finance that will improve the coordination and effectiveness of policy development and issue resolution. • We have implemented an annual prioritization of the most significant assessment roll quality issues, such as farm, special purpose and electric power generation properties to respond to the greatest risks to quality and uniformity of the roll. • Through our ongoing audit program, we are strengthening internal management controls to ensure data integrity and quality. This includes action on the 2008 KPMG valueBC audit recommendations. • We reviewed and upgraded our assessment business processes across the organization to ensure reliable, accurate and uniform assessments throughout B.C. These initiatives address the strategic focus areas of Customers, Relationships, Products and Services, and Effectiveness.

Management Discussion and Analysis

BC Assessment establishes and maintains property values for assessable properties in the province of British Columbia and provides them to property owners and taxing authorities. Taxing authorities use the property values to form the basis of their tax rolls. BC Assessment's primary source of revenue is from a tax levy placed on each taxable property. This tax levy is a component of the property taxes paid by property owners to the taxing authorities who in turn remit the tax levy to BC Assessment. Other revenue sources include revenue from data access services, payments in lieu of taxes, contracts with First Nations, other contract revenue and investment revenue.

The following discussion and analysis should be read in conjunction with BC Assessment's audited financial statements and related notes for the fiscal year ended December 31, 2008.

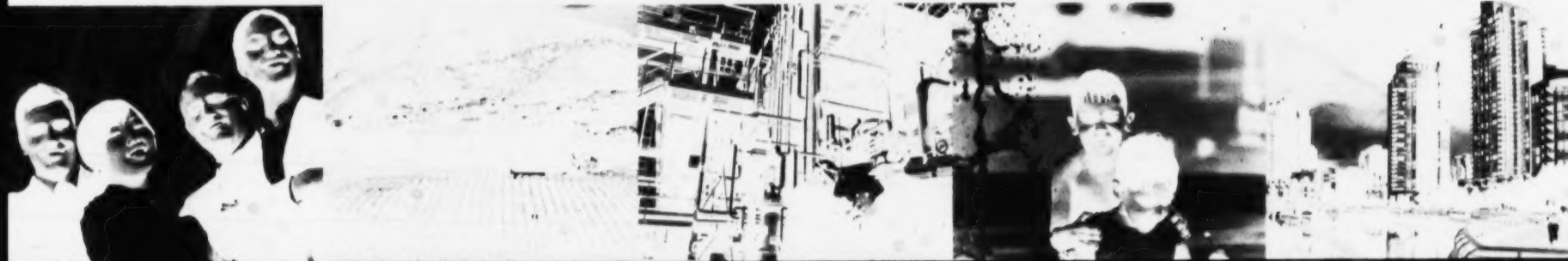
Summary of Financial Results 2004-2008 and Forecasts 2009 to 2011

The table below provides an overview of BC Assessment's financial results for the fiscal years 2004-2008, and a financial forecast for the next three years as set out in BC Assessment's 2009-2011 Service Plan. The table also includes a comparison of the 2008 actual results to the 2008 budget and to the 2007 actual results.

The 2008-2010 Service Plan reflected planned deficits for 2008, 2009 and 2010 of \$1.756 million, \$1.061 million and \$0.351 million, respectively. These planned deficits supported the Province's direction in the 2008 Shareholder's Letter of Expectations to BC Assessment to "develop and implement a strategy to return the Corporation's unappropriated equity to the taxpayers of British Columbia by using these funds to keep the Corporation's financing levy increases to a minimum over the next three years". On January 28, 2009, the BC Assessment Board of Directors was informed by the Ministry of Community Development that government had

directed that the deficits reflected for the years 2009 to 2011 be eliminated and the budgets be balanced. This change in direction has been reflected in the published 2009-2011 Service Plan and in the current forecasts.

Management Discussion and Analysis



SUMMARY OF FINANCIAL RESULTS 2004 TO 2008 AND FINANCIAL FORECAST 2009 TO 2011

Statement of Operations

(in \$000's)	2004 ACTUAL	2005 ACTUAL	2006 ACTUAL	2007 ACTUAL	2008 ACTUAL	2008 BUDGET	VARIANCE FROM 2008 BUDGET	COMPARISON TO 2007 ACTUAL	2009 FORECAST	2010 FORECAST	2011 FORECAST
REVENUE:											
Tax levies	60,304	62,589	64,085	65,372	69,151	69,173	(22)	3,779	72,881	76,419	80,106
Other	4,544	8,525	6,972	5,585	5,292	5,377	(85)	(293)	5,037	5,235	5,348
Grant from the Province	-	-	2,343	-	-	-	-	-	-	-	-
Investment	391	404	752	904	775	700	75	(129)	750	750	800
Gain on disposal of property, plant and equipment	159	-	31	34	26	-	26	(8)	-	-	-
	65,398	71,518	74,183	71,895	75,244	75,250	(6)	3,349	78,668	82,404	86,254
EXPENDITURE:											
Salaries and benefits	43,715	46,414	49,315	49,333	49,425	50,338	(913)	92	51,083	53,181	55,551
Professional and special services	6,048	8,940	6,997	6,954	6,410	7,630	(1,220)	(544)	7,715	7,476	7,849
Office premises	4,413	4,537	4,569	4,613	5,083	5,181	(98)	470	5,849	6,829	6,624
Office	3,869	4,200	4,168	4,577	4,659	5,291	(632)	82	5,315	5,388	5,743
Travel	2,138	1,587	1,635	1,574	1,510	1,700	(190)	(64)	1,600	1,684	1,769
Appeal costs	1,632	1,885	2,010	2,721	2,890	2,825	65	169	2,900	3,200	3,450
Bad debts	-	32	1	28	5	-	5	(23)	-	-	-
Interest	68	87	111	125	80	115	(35)	(45)	80	100	115
Amortization	2,143	3,000	3,069	3,351	3,361	3,926	(565)	10	4,126	4,546	5,153
	64,026	70,682	71,875	73,276	73,423	77,006	(3,583)	147	78,668	82,404	86,254
Excess of revenue (deficiency) over expenditure before non-recurring revenue	1,372	836	2,308	(1,381)	1,821	(1,756)	3,577	3,202	-	-	-
Non-recurring revenue	747	-	-	-	-	-	-	-	-	-	-
Excess of revenue (deficiency) over expenditure for the year	2,119	836	2,308	(1,381)	1,821	(1,756)	3,577	3,202	-	-	-

SUMMARY OF FINANCIAL RESULTS 2004 TO 2008 AND FINANCIAL FORECAST 2009 TO 2011

Equity Balances, end of year*

(in \$000's)	2004 ACTUAL	2005 ACTUAL	2006 ACTUAL	2007 ACTUAL	2008 ACTUAL	2008 BUDGET	VARIANCE FROM 2008 BUDGET	COMPARISON TO 2007 ACTUAL	2009 FORECAST	2010 FORECAST	2011 FORECAST
Equity in capital assets	11,740	13,562	13,248	12,773	14,423	15,783	(1,360)	1,650	13,959	13,160	12,077
Equity from operations - appropriated	5,400	3,500	3,880	4,450	5,950	4,831	1,119	1,500	5,323	6,148	7,048
Equity from operations - unappropriated	5,530	6,444	8,686	7,210	5,881	2,000	3,881	(1,329)	6,972	6,946	7,129
	22,670	23,506	25,814	24,433	26,254	22,614	3,640	1,821	26,254	26,254	26,254

* 2009-2011 reflect the impact of 2008 actual results.

Property, Plant and Equipment Additions

(in \$000's)	2004 ACTUAL	2005 ACTUAL	2006 ACTUAL	2007 ACTUAL	2008 ACTUAL	2008 BUDGET	VARIANCE FROM 2008 BUDGET	COMPARISON TO 2007 ACTUAL	2009 FORECAST	2010 FORECAST	2011 FORECAST
	4,966	4,848	2,755	2,876	5,040	6,848	(1,808)	2,164	3,662	3,747	4,070

Staffing

NUMBER OF FULL TIME EQUIVALENTS (FTE)	2004 ACTUAL	2005 ACTUAL	2006 ACTUAL	2007 ACTUAL	2008 ACTUAL	2008 BUDGET	VARIANCE FROM 2008 BUDGET	COMPARISON TO 2007 ACTUAL	2009 FORECAST	2010 FORECAST	2011 FORECAST
	638	681	670	686	668	658	10	(18)	666	664	664

Management Discussion and Analysis

Comparison of 2008 Actual Results to Budget

An excess of revenue over expenditure of \$1.8 million was reported for the year compared to a budgeted deficiency of revenue over expenditure of \$1.8 million. The 2008 budget was developed with a planned deficit to reduce surpluses that had accumulated in previous years.

Total expenditures were \$3.6 million lower than budget. There were several significant variances that accounted for the vast majority of the lower than budgeted expenditures.

- Salaries and benefits costs were \$913,000 lower than planned mainly due to continued high turn-over rates, combined with a number of vacancies for permanent positions which took longer to fill than anticipated.
- Professional and special services costs were \$1.2 million lower than budget due to significant variances in a number of areas.
 - Legal and expert witness costs were \$700,000 lower than planned. This was driven by a significant decrease in the overall number of appeals in 2008 and the impact associated with:
 - The increased use of internal legal counsel resources.
 - Two major appeals, one involving a major retail store and the other dealing with hotels, were not completed as expected in 2008. This was due to time extensions requested in one case by BC Assessment and in the other by the appellant.
- Implementation of strategies by BC Assessment to assist appellants such as providing additional assessment information to property owners and increasing pre-assessment roll consultation with key stakeholders to resolve issues before going to appeal.
- Increased use of written submissions and settlement conferences by the Property Assessment Appeal Board, leading to sizeable reductions in both the number and length of appeal hearings.
- The continued introduction of legislative changes by the Province to resolve taxation and valuation issues which had previously led to prolonged appeals.
- Costs for external information technology services retained for printing, computer processing, data storage, server hosting and other services were \$400,000 lower than planned primarily due to lower than expected usage levels and data storage requirements.
- General office expenses were \$632,000 lower than planned in a number of areas including equipment repairs, teleprocessing, postage, mapping, and software maintenance and support.
- Travel costs were \$190,000 lower than planned due to less overall travel and the increased use of conference calls and virtual meetings.

- Amortization was \$565,000 lower than budget due to lower property, plant and equipment expenditures for the year.

Expenditures for property, plant and equipment were \$1.8 million under budget. During 2008, BC Assessment made a significant investment in technology enhancements including the replacement of all desktops, laptops and associated software. The corporation benefited from competitive pricing resulting in significant savings on these purchases. In addition, some acquisitions planned for 2008 were deferred to 2009.

Comparison of 2008 Actual Results to 2007 Actual Results

An excess of revenue over expenditure of \$1.8 million was reported for 2008 compared to a deficiency of revenue over expenditure of \$1.4 million in 2007. The 2007 deficiency was funded from accumulated equity from operations.

Revenue was \$3.3 million higher in 2008 than in 2007. Increased tax levy revenue of \$3.8 million consisted of \$1.8 million raised by way of a 2.7 per cent tax levy increase and \$2.0 million in new levy revenue collected from new construction and development. This increase was partially offset by a net decrease in other sources of revenue.

Management Discussion and Analysis

Expenditures were \$147,000 higher in 2008 than in 2007. Significant changes are as follows.

- Professional and special services expenses were \$544,000 lower in 2008 than in 2007. This was primarily due to lower legal and expert witness costs of \$760,000. In 2007, a significant number of complex valuation appeals that required a higher level of legal and expert witness support were heard, resulting in higher costs. It is important to note, that in 2008, legal and expert witness costs were the lowest the organization has experienced since 2004, partly due to factors discussed in the section titled "Comparison of 2008 Actual Results to Budget" above. The lower legal and expert witness costs were partially offset by increases in other professional and special services costs related to external information technology services and recruitment activities.
- Office premises expenses were \$470,000 higher in 2008 compared to 2007. In 2008, the Vancouver Sea to Sky and Kelowna regional offices were relocated to new premises, and several other office leases were renewed at higher rates.
- Appeal costs requisitioned by the Province to cover operating costs of the Property Assessment Review Panel and Property Assessment Appeal Board were \$169,000 higher in 2008 than in 2007.

Expenditures for property, plant and equipment were \$2.2 million higher in 2008 than in 2007. This increase was primarily due to a higher level of investment in technology enhancements in 2008, which included the replacement of all desktops, laptops and associated software, furniture and equipment, and leasehold improvement costs for the Vancouver Sea to Sky and Kelowna regional offices.

Financial Forecast

The financial forecast incorporates a range of key assumptions.

- Tax levy revenue includes estimated new revenue from new construction and development.
- Other revenue sources are derived from contracts with First Nations, payments in lieu of taxes, data access services and other miscellaneous items.
- Expenditures include known and estimated increases for the planning period.
- BC Assessment is required by legislation to cover the operating costs of the Property Assessment Review Panel (PARP) and the Property Assessment Appeal Board (PAAB). PARP and PAAB are administered by the Ministry of Community Development and are independent of BC Assessment.
- The Board of Directors of BC Assessment established that funding for significant non-recurring expenditures be provided from accumulated equity from operations. The Board has appropriated \$1 million each year since 2005 for future assessment system replacement in addition to amounts required to fund significant information technology projects each year. Appropriated amounts have been classified as a component of equity.
- BC Assessment does not have any long-term debt for the planning period. The organization borrows funds to finance its operating and capital expenditures during the first half of each fiscal year and repays the accumulated debt from the proceeds of property assessment tax levy revenues collected from taxing jurisdictions at the end of July. The Minister of Finance acts as the fiscal agent of BC Assessment.
- In management's opinion, the financial forecasts reflect accounting treatment that is consistent with current Canadian generally accepted accounting principles. The financial forecasts do not include the impact of International Financial Reporting Standards (IFRS).

Audited Financial Statements of
BRITISH COLUMBIA ASSESSMENT AUTHORITY
Year ended December 31, 2008

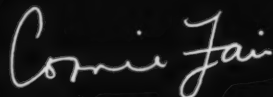
British Columbia Assessment Authority Statement of Management Responsibility

The financial statements of the British Columbia Assessment Authority ("BC Assessment") for the year ended December 31, 2008 have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied and appropriate in the circumstances. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized in the notes to financial statements.

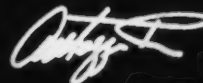
Management is responsible for the preparation of the financial statements and has established a system of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized, and financial records provide reliable information for preparation of financial statements.

The Board of Directors carries out its responsibility for the review of the financial statements. The Board meets with management and the external auditor to discuss the results of audit examinations and financial reporting matters. The external auditor has full access to the Board, with and without the presence of management.

The Auditor General of British Columbia, the external auditor of BC Assessment, has performed an independent audit of the financial statements of BC Assessment in accordance with generally accepted auditing standards. The Auditor's Report outlines the scope of this independent audit and his opinion on the financial statements of BC Assessment.



Connie Fair
PRESIDENT AND
CHIEF EXECUTIVE OFFICER



Andy Hoggarth
VICE PRESIDENT AND
EXECUTIVE FINANCIAL OFFICER

Victoria, British Columbia
April 1, 2009



REPORT OF THE AUDITOR GENERAL OF BRITISH COLUMBIA

*To the Board of Directors of
the British Columbia Assessment Authority, and*

*To the Minister of Community Development
Province of British Columbia:*

I have audited the balance sheet of the *British Columbia Assessment Authority* as at December 31, 2008, and the statements of operation, equity and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the *British Columbia Assessment Authority* as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Victoria, British Columbia
April 1, 2009*

John Doyle, MBA, CA
Auditor General

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Balance Sheet

(in \$000s)

December 31, 2008

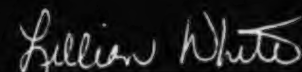
	2008	2007
Assets		
Current assets:		
Cash and cash equivalents	23,608	21,835
Accounts receivable	1,552	1,311
Prepaid expenses	653	808
	25,813	23,954
Property, plant and equipment (note 3)	14,423	12,773
	40,236	36,727
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	9,797	9,878
Current portion of long-term liabilities	295	283
	10,092	10,161
Long-term liabilities (note 4):		
Employees' past and future benefits	2,398	2,114
Lease inducements	1,125	19
Other	367	-
	3,890	2,133
Equity		
Equity in property, plant and equipment	14,423	12,773
Equity from operations - appropriated	5,950	4,450
Equity from operations - unappropriated	5,881	7,210
	26,254	24,433
	40,236	36,727

Commitments (note 7)

The accompanying notes are an integral part of these financial statements.

On behalf of the Board


Director


Director

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Statement of Operations

(in \$000s)

Year ended December 31, 2008

	2008	2007
Revenue:		
Tax levies	69,151	65,372
Other (note 8)	5,292	5,585
Investment	775	904
Gain on disposal of property, plant and equipment	26	34
	<u>75,244</u>	<u>71,895</u>
Expenditure:		
Salaries and benefits	49,425	49,333
Professional and special services	6,410	6,954
Office premises	5,083	4,613
Office	4,659	4,577
Travel	1,510	1,574
Appeal costs (note 9)	2,890	2,721
Bad debts	5	28
Interest (note 10)	80	125
Amortization	3,361	3,351
	<u>73,423</u>	<u>73,276</u>
Excess of revenue (deficiency) over expenditure for the year	<u>1,821</u>	<u>(1,381)</u>

The accompanying notes are an integral part of these financial statements.

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Statement of Equity

(in \$000s)

Year ended December 31, 2008

	Property, plant and equipment	Appropriated (note 11)	Unappropriated	2008	2007
Equity, beginning of year	12,773	4,450	7,210	24,433	25,814
Excess of revenue (deficiency) over expenditure for the year	(3,335)	-	5,156	1,821	(1,381)
Transfers to equity in property, plant and equipment	4,985	-	(4,985)	-	-
Transfer during year	-	1,500	(1,500)	-	-
Equity, end of the year	14,423	5,950	5,881	26,254	24,433

The accompanying notes are an integral part of these financial statements.

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Statement of Cash Flows

(in \$000s)

Year ended December 31, 2008

	2008	2007
Cash provided by (used in):		
Operations:		
Excess of revenue (deficiency) over expenditure for the year *	1,821	(1,381)
Items not involving cash:		
Amortization	3,361	3,351
Gain on disposal of property, plant and equipment	(26)	(34)
Increase (decrease) in employees' past and future benefits	168	(136)
Increase in lease inducements	1,234	19
Increase in other long-term liabilities	367	-
Changes in non-cash operating working capital (note 12)	(167)	614
	6,758	2,433
Investing:		
Acquisition of property, plant and equipment	(5,040)	(2,876)
Proceeds on disposal of property, plant and equipment	55	34
	(4,985)	(2,842)
Increase (decrease) in cash	1,773	(409)
Cash and cash equivalents, beginning of year	21,835	22,244
Cash and cash equivalents, end of year (note 12)	23,608	21,835

* Includes interest paid of \$80,428 (2007: \$124,511)

The accompanying notes are an integral part of these financial statements.

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Notes to Financial Statements

Year ended December 31, 2008

Nature of Business

The British Columbia Assessment Authority ("BC Assessment") was established in 1974 as an independent Crown corporation by the Province of British Columbia by enactment of the *Assessment Authority Act*. The purpose of BC Assessment is to establish and maintain assessments that are uniform in the whole of the province in accordance with the *Assessment Act*.

1. Significant accounting policies:

The financial statements of BC Assessment have been prepared by management in accordance with Canadian generally accepted accounting principles. The following is a summary of the significant accounting policies used in the preparation of these financial statements.

(a) Change in accounting policies:

Effective January 1, 2008 BC Assessment adopted the new standard announced by the Canadian Institute of Chartered Accountants (CICA) Section 3862 *Financial Instruments – Disclosures* and Section 3863 *Financial Instruments – Presentation*, which revise and enhance the current disclosure requirements but do not change the existing presentation requirements for financial instruments. The new disclosure provides additional information on the nature and extent of risk arising from financial instruments and how BC Assessment manages those risks.

Effective January 1, 2008 BC Assessment also adopted the recommendations of the CICA Section 1535 *Capital Disclosures*, which requires disclosure of information related to the objectives, policies and processes for managing capital. In addition, the disclosures include whether externally imposed capital requirements have been complied with. The new standard is effective for fiscal years beginning on or after October 1, 2007 and as this standard only addresses disclosure requirements there is no impact on BC Assessment's operating results.

(b) Financial instruments:

The CICA requires that all financial instruments be classified as one of the following: held-to-maturity, loans and receivables, held-for-trading, available-for-sale or other financial liabilities. BC Assessment has designated its financial instruments as follows:

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Notes to Financial Statements

Year ended December 31, 2008

1. Significant accounting policies (continued):

Cash and cash equivalents include deposits in banks and short-term money market instruments. They are classified as held-for-trading and measured at fair value and all gains and losses are included in the Statement of Operations in the period in which they occur. Fair value is an estimate of the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties under no compulsion to act. BC Assessment invests funds with the British Columbia Investment Management Corporation and has funds in two pooled investment portfolios: Fund ST1 - Canadian money market investments maturing within one month and ST2 - Canadian money market investments maturing within 15 months.

Accounts receivable are classified as loans and receivables and are measured at amortized cost. Accounts payable and accrued liabilities and other long-term liabilities are classified as other financial liabilities and are also measured at amortized cost. The carrying values of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their fair value because of the short-term maturity of these financial instruments.

(c) Property, plant and equipment:

Property, plant and equipment are carried at cost less accumulated amortization (refer to note 3). Amortization is determined at rates which will reduce original cost to estimated residual value over the useful life of the asset. The annual rates used to compute amortization on a straight-line basis are as follows:

Asset	Rate
Buildings	5%
Furniture and equipment, including computer equipment	20-33%
Assessment system software *	10%
Other software	33-100%
Motor vehicles	20%
Leasehold improvements	Over the term of the lease

* Customization and additions to assessment system software are amortized over the estimated remaining useful life of the system.

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Notes to Financial Statements

Year ended December 31, 2008

1. Significant accounting policies (continued):

(d) Lease inducements:

Lease inducements include cash payments, reduced rent and rent free periods. The lease inducement benefits are amortized on a straight-line basis over the occupancy period.

(e) Revenue:

Revenues are recorded on an accrual basis in the period in which the transactions or events occurred that gave rise to the revenues.

Tax levies: BC Assessment, by by-law and subject to the prior approval of the Lieutenant Governor in Council, each year imposes and levies a tax upon all taxable real property in the province, but excluding property that is taxable for school purposes only by special Act. A copy of this by-law is forwarded to the Tax Collector of every municipality in the province and to the Surveyor of Taxes in order that the taxes so levied will be placed on the tax rolls. The proceeds of the taxes so levied and collected by the municipalities or the Minister of Finance constitutes BC Assessment's tax levies revenue.

Other revenue: Other revenue includes revenue from data access services, payments in lieu of taxes, contracts with First Nations, and other miscellaneous revenue (refer to note 8).

Investment: Investment revenue includes interest on deposits in banks, earnings generated by short-term investments and changes in fair value during the year.

(f) New accounting pronouncements:

In February 2008 the CICA issued section 3064 *Goodwill and Intangible Assets* which provides guidance on the recognition, measurement, presentation and disclosure for goodwill and intangible assets, other than the initial recognition of goodwill or intangible assets acquired in a business combination. The standard is effective for fiscal years beginning on or after October 1, 2008, and requires retroactive application to prior period financial statements. BC Assessment has evaluated the impact of this new standard for adoption on January 1, 2009 and does not expect any significant impact on its financial statements.

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Notes to Financial Statements

Year ended December 31, 2008

1. Significant accounting policies (continued):

(g) Measurement uncertainty:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and commitments at the date of the financial statements and the reported amounts of revenue and expenditure during the year. Items requiring the use of significant estimates include employees' future benefits, various other expenditure accruals and the commitments summarized in note 7. Actual results could differ from these estimates.

2. Financial instruments:

BC Assessment is exposed to various risks related to its financial assets and liabilities. These risks are managed on an on-going basis and it is management's opinion that the corporation is not exposed to significant market, credit or liquidity risk arising from these instruments.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange and interest rates will affect BC Assessment's income or the value of its financial instruments.

Foreign currency risk - BC Assessment's exposure to currency risk is related only to the value of foreign exchange transactions in the normal course of operations. BC Assessment manages foreign currency risk by minimizing the amount of transactions in foreign funds. Foreign currency transactions valued in Canadian dollars totaled \$438,743 in 2008 (2007: \$370,805).

Interest rate and other price risk - BC Assessment is exposed to interest rate and other price risk through its investment in short-term Canadian money market investments through the British Columbia Investment Management Corporation and through borrowing of money through the Provincial Government. Investments have a short-term maturity. Loans are at a variable rate of interest and are also short-term. The effect of a 1% change in the interest rate will impact BC Assessment's investment revenue by approximately \$190,000 and interest expense by approximately \$30,000 per annum.

The corporation does not engage in trading or other speculative activities with respect to derivative financial instruments.

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Notes to Financial Statements

Year ended December 31, 2008

2. Financial instruments (continued):

Credit risk

BC Assessment is exposed to credit risk on accounts receivable due to inability of customers to pay for products and services as well as the potential failure of property owners to pay property taxes to taxing jurisdictions and the Province. BC Assessment relies on taxing jurisdictions and the Province to collect taxes and remit tax levies to BC Assessment and the corporation monitors and manages the collection of receivables from other customers. At December 31, 2008, accounts receivable totaled \$1,552,000 (2007: \$1,311,000). These figures are reported net of an allowance for doubtful accounts of \$66,198 (2007: \$61,309). The doubtful amounts are mainly due to the impact on BC Assessment tax levies of uncollectible property taxes by taxing jurisdictions.

Liquidity risk

Liquidity risk is the risk that the corporation will not be able to meet its financial obligations as they fall due or will not be able to meet them at a reasonable cost. BC Assessment manages liquidity risk primarily by monitoring actual to forecast cash flows and by maintaining the ability to borrow funds through the Province.

3. Property, plant and equipment:

(in \$000s)	Cost	Accumulated amortization	2008 Net book value	2007 Net book value
Land	354	-	354	354
Buildings	2,519	1,470	1,049	1,175
Furniture and equipment, including computer equipment	18,043	15,806	2,237	1,845
Assessment system software	12,775	5,125	7,650	8,349
Other software	472	192	280	14
Motor vehicles	2,025	1,428	597	574
Leasehold improvements	2,669	413	2,256	462
	38,857	24,434	14,423	12,773

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Notes to Financial Statements

Year ended December 31, 2008

4. Long-term liabilities:

Employees' past and future benefits:

Employees' past benefits:

At the time of the formation of the British Columbia Assessment Authority, BC Assessment negotiated an agreement with those designated employees whose previous working agreements contained clauses that called for payment of certain benefits upon death, retirement or termination of employment. The benefits under the agreement are recognized as a long-term liability, with an amount equal to payments due within the immediate twelve months following the statement date segregated and recognized as a current liability. Adjustments to the liability resulting from changes in salary rates are charged to the current year. Payments of benefits are treated as a reduction of the liability.

Employees' future benefits:

Outside of the Public Service Pension Plan, BC Assessment annually accrues the future obligation under the defined retirement benefit plan as the employees render the services necessary to earn the benefit. Management, using an estimate of salary escalation and expected retirement ages, calculates the cost of the defined retirement benefit. The recorded liability represents these estimated future costs discounted to a present value using market interest rates applicable to BC Assessment.

(in \$000s)			2008	2007
	Total liability	Current portion	Net liability	Net liability
Employees' past benefits	11	1	10	15
Employees' future benefits	2,554	166	2,388	2,099
	2,565	167	2,398	2,114
Lease inducements	1,253	128	1,125	19
Other	367	-	367	-
	4,185	295	3,890	2,133

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Notes to Financial Statements

Year ended December 31, 2008

5. Employee benefits plan:

BC Assessment and its employees contribute to the Public Service Pension Plan in accordance with the *Public Sector Pension Plans Act*. The British Columbia Pension Corporation administers the plan, including payment of pension benefits to employees to whom the act applies. The Public Service Pension Plan is a multi-employer, defined benefit plan. Under joint trusteeship, the risk and reward associated with the Plan's unfunded liability or surplus is shared between the employers and the plan members and will be reflected in their future contributions. The most recent actuarial valuation (March 31, 2008) determined the Plan had a surplus. Despite the surplus, the Public Service Pension Board of Trustees is required to implement a contribution rate increase of 0.15% each, for plan members and employers to meet the funding requirements of the *Pension Benefits Standards Act*. The increase in rates will go into effect April 1, 2009.

Contributions to the Plan by BC Assessment for 2008 were \$3,365,515 (2007: \$3,365,729).

6. Management of capital:

BC Assessment defines capital as equity (assets minus liabilities). BC Assessment manages its capital structure in accordance with its long-term view of investments in property, plant and equipment (refer to note 11) and the anticipated impacts to operations caused by changes in economic conditions necessary to meet its legislative mandate. There has been no change to BC Assessment's approach to capital management during the period. BC Assessment is currently meeting all of its financial commitments. BC Assessment has no externally imposed capital requirements.

7. Commitments:

BC Assessment is committed to make payments under operating leases and contracts as follows:

(in \$000s)	Premises leases	Other contracts
2009	5,423	3,218
2010	6,763	1,283
2011	6,470	907
2012	5,884	853
2013	4,960	775
2014 - 2025	34,852	388
	64,352	7,424

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Notes to Financial Statements

Year ended December 31, 2008

8. Other revenue:

(in \$000s)	2008	2007
Data access services	3,751	3,729
Payments in lieu of taxes	836	742
First Nations services	452	425
Contract revenue	118	645
Other	135	44
	5,292	5,585

9. Appeal costs:

BC Assessment is required to reimburse the Province of British Columbia for the operating costs of the Property Assessment Review Panel and the Property Assessment Appeal Board.

10. Financing:

Under subsection 20(5) of the *Assessment Authority Act*, BC Assessment may, "until receipt of the proceeds of the taxes...borrow an amount not exceeding the proceeds of the taxes...and the loan must be repaid from the proceeds of the taxes".

The maximum borrowings by BC Assessment during 2008 were \$18,077,953 (2007: \$17,899,527).

11. Equity from operations - appropriated:

The Board of Directors established that funding for significant non-recurring expenditures be provided from accumulated equity from operations. The appropriated amount of \$5,950,000 (2007: \$4,450,000) has been separately classified as a component of equity to reflect this direction by the Board. The appropriation reflects \$1.95 million towards completion of information technology projects and \$4 million towards future assessment system replacement.

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Notes to Financial Statements

Year ended December 31, 2008

12. Supplemental cash flow information:

(a) Major components of cash and cash equivalents are as follows:

(in \$000s)	2008		2007	
	Cost	Fair value	Cost	Fair value
Cash	235	235	486	486
Short-term investments	23,331	23,373	21,328	21,349
Cash and cash equivalents, end of year	23,566	23,608	21,814	21,835

(b) Changes in non-cash working capital:

(in \$000s)	2008	2007
Current assets:		
Accounts receivable	(240)	252
Prepaid expenses	155	(184)
Current liabilities:		
Accounts payable and accrued liabilities	(82)	546
	(167)	614

13. Related party transactions:

BC Assessment is related through common ownership to all Province of British Columbia ministries, agencies and Crown corporations and all public sector organizations such as school districts, colleges, universities and health authorities that are included in the provincial government reporting entity. In addition, transactions with senior management, directors, immediate family members of senior management and directors and companies with which any of the above have a financial interest are also considered related parties. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Notes to Financial Statements

Year ended December 31, 2008

13. Related party transactions (continued):

The Statement of Operations includes the following transactions with related parties of the Province of British Columbia:

(in \$000s)	2008	2007
Other revenue	47	57
Payments for:		
Appeal costs	2,890	2,721
Salaries and benefits	689	720
Office	493	500
Professional and special services	567	596
Interest	67	110
Office premises	41	35
Travel	64	69

Assets (liabilities) at December 31 with related parties were:

(in \$000s)	2008	2007
Accounts receivable	29	1
Accounts payable	(906)	(1,768)

BC Assessment contracted with the Province for the acquisition of certain property, plant and equipment in the amount of \$262,897 (2007: \$397,919) and disposal of surplus property, plant and equipment totaling \$30,152 (2007: \$34,746).

Other related parties:

Legal fees of \$135,309 (2007: \$605,425) were incurred with a law firm of which an immediate family member of senior management was a partner. For 2008, only those fees incurred for that part of the year while the family member was a partner are reported. All transactions were in the normal course of operations.

14. Comparative figures:

Certain 2007 comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

Links to Resources

BC Assessment Resources

Area offices:

www.bcasessment.ca/offices/index.asp

Board of Directors:

www.bcasessment.ca/about/board.asp

Board of Directors' governance practices:

www.bcasessment.ca/pdf/about/Board_Governance.pdf

Customer surveys:

www.bcasessment.ca/customer_service.asp

Executive Management Team:

www.bcasessment.ca/about/executive.asp

Information for governments:

www.bcasessment.ca/local_gov.asp

Map of assessment areas:

www.bcasessment.ca/pdf/offices/Province_map_regions_2007.pdf

Process for requesting an independent review of a residential property assessment:

www.bcasessment.ca/process/review.asp

Products and services:

www.bcasessment.ca/products/index.asp

Reports: www.bcasessment.ca/publications/reports/index.asp

Service commitment and service standards:

www.bcasessment.ca/customer_service.asp

Structure and mandate:

www.bcasessment.ca/about/index.asp

Taxing Jurisdiction Advisory Committee:

www.bcasessment.ca/local_gov_customer.asp

Other Resources

BC OnLine – Internet access to e-government services: www.bconline.gov.bc.ca/

Best Practice Guidelines: BC Governance and Disclosure Guidelines for Governing Boards of Public Sector Organizations, published by the Board Resourcing and Development Office, Office of the Premier: cover page: www.lcs.gov.bc.ca/brdo/governance/BPG_Cover_Final2.pdf
text: www.lcs.gov.bc.ca/brdo/governance/corporateguidelines.pdf

Farm Assessment Review Panel:

www.farmassessmentreview.ca/index.htm

Property Assessment Appeal Board (PAAB):

process: www.assessmentappeal.bc.ca

Property Assessment Review Panel (PARP):

process: www.cd.gov.bc.ca/parp/

Province of British Columbia 2008/09–2010/11 Strategic Plan: www.bcbudget.gov.bc.ca/2008/stplan/default.html#1

Links to Resources

Shareholder's Letter of Expectations between the Minister of Community Development (as Representative of the Shareholder, the Government of British Columbia) and the Chair of the British Columbia Assessment Authority (as Representative of the Corporation):
www.bcassessment.ca/pdf/about/2009Shareholders_letter_of_expectations.pdf

2009/10-2011/12 Crown Corporation Service Plan Guidelines, published by the Crown Agencies Secretariat: www.gov.bc.ca/cas/attachments/service_plans/2008/cas_service_plan_guide.pdf

Glossary of Terms

Assessment

An assessment is the determination of a property's market value as of July 1 each year. On December 31, BC Assessment mails a Property Assessment Notice to each property owner. The Property Assessment Notice shows the property's market value and contains other important property information.

Assessment LinkBC

Assessment LinkBC is an Internet-based system that provides electronic access for taxing authority and BC Assessment staff to assessment roll information in a customized report format.

Assessment Notice

The assessment notice details the assessed value of the land and any improvements on the property. Assessment notices are mailed to every person designated on the assessment roll to receive one.

Assessment Roll

An assessment roll contains the legal description, ownership, assessed value, use classification and other details for every property in B.C. Every December 31, BC Assessment provides taxing authorities with a new assessment roll that lists all properties, the names of the owners, and the taxable values of the land and any improvements (buildings). Each annual assessment roll is used to calculate taxation in the following year. Specific types of roll are the completed roll, the grant roll, the revised roll and the supplementary roll.

Assessment to Sales Ratio

The Assessment to Sales Ratio (ASR) is calculated by dividing the assessed value (as determined by BC Assessment) of a property that has sold by its actual selling price, then expressing the result as a percentage. A property with an assessed value of \$243,000 that sold for \$250,000, for example, would have an ASR of 97.2%.

Australian/New Zealand Standard (AS/NZS 4360:2004)

The Australian/New Zealand Standard (AS/NZS 4360:2004) is a generic guide for managing risk. This Standard may be applied to a wide range of activities, decisions or operations of any public, private or community enterprise, group or individual. The Standard specifies the elements of the risk management process. It is generic and independent of any specific industry or economic sector. The design and implementation of the risk management system will be influenced by the varying needs of an organization, its particular objectives, its products and services, and the processes and specific practices employed.

Coefficient of Dispersion

The Coefficient of Dispersion (COD) measures how closely a group of numbers is clustered around its median (or middle) number. The lower the COD, the better the product.

Completed Roll

The completed roll is produced by BC Assessment in December of each year for taxation the following year.

Glossary of Terms

e-valueBC

e-valueBC is BC Assessment's Internet-based system that gives most property owners the opportunity to compare their assessments with the sales of other properties.

International Association of Assessing Officers (IAAO)

The IAAO is a non-profit, educational and research association. It is a professional membership organization of government assessment officials and others interested in the administration of the property tax. The IAAO was founded in 1934, and has more than 8,000 members worldwide from governmental, business, and academic communities.

Integrated Cadastral Information Society (ICIS)

The ICIS is a not-for-profit society created as a partnership between local government, provincial government and major utility companies in British Columbia to share and integrate spatial data.

Grant Roll

A grant roll contains the assessed value of properties that are exempt from property taxation, such as government properties, schools and hospitals. The roll that values these exempt properties serves as the foundation for grants in lieu of property taxes.

Leadership in Energy and Environmental Design (LEED)

The Leadership in Energy and Environmental Design (LEED) Green Building Rating System™ encourages the adoption of sustainable green building and development practices through the creation and implementation of universally understood and accepted tools and performance criteria. LEED is a third-party certification program and an internationally accepted benchmark for the design, construction and operation of high performance green buildings.

Market Value

Market value is the price expected if a reasonable amount of time is allowed to find a purchaser, and if both seller and prospective buyer are fully informed. For assessment purposes in British Columbia, market value is the most probable price that an unencumbered property would sell for on the open market on July 1.

Property Assessment Appeal Board

The Property Assessment Appeal Board (PAAB) is the second level of appeal for complainants – the Property Assessment Review Panel (PARP) is the first formal level. Most commonly, the PAAB looks at whether a property is assessed at actual (market) value, whether a property is properly classified and whether a property qualifies for a property exemption. The board is administered by the Ministry of Community Development, and is independent of BC Assessment and the taxing jurisdictions.

Property Assessment Review Panel

The Property Assessment Review Panel (PARP) is a three-member panel appointed annually by the provincial government to review property assessments; as many as 75 panels may be appointed each year. The panel ensures that the review is fair and impartial. The panel hears evidence to determine if a property has been valued or classified correctly, or if exemptions were properly applied. Neither the Property Assessment Review Panels nor BC Assessment has jurisdiction or control over taxes or tax rates. Only property assessments may be reviewed; property taxes cannot be reviewed. Property Assessment Review Panels are independent of BC Assessment and the taxing jurisdictions.

Glossary of Terms

Revised Roll

The revised roll includes amendments made by the Assessor and the Property Assessment Review Panels during February and March of each year.

Statutory Report

A statutory report gives value summaries for specific taxation purposes, such as funding for school districts, regional districts, local areas, and hospital and transit services.

Supplementary Roll

A supplementary roll contains changes and corrections to the assessment roll, including decisions from the Property Assessment Appeal Board. Supplementary rolls are issued between April and December.

Taxing Jurisdiction Advisory Committee (TJAC)

The TJAC is an advisory committee representing some 200 taxing jurisdictions across the province (e.g., local governments and some provincial agencies). The committee is a mechanism for ensuring regular and effective communication between BC Assessment and taxing jurisdictions, identifying needs and providing advice on how products and services can be improved. The committee meets quarterly.

APPENDIX A: Assessment Roll Quality and Data Source Reliability and Limitations for Performance Measures in 2008-2010 Service Plan

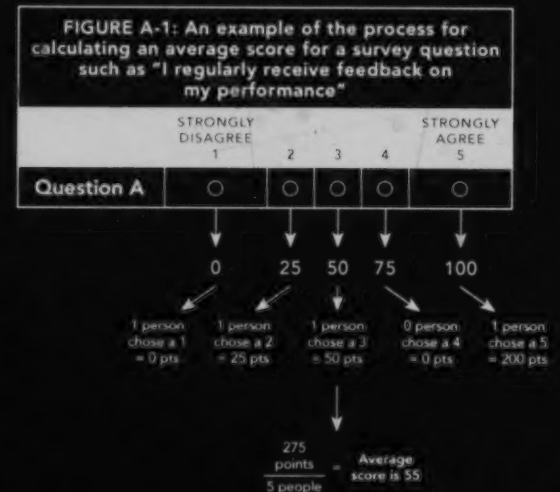
Most of the appraisal information used in our performance measures is collected throughout the year by professional appraisal staff through a variety of methods (such as property inspections) and sources (municipalities, regional districts, real estate boards, the Land Title and Survey Authority of British Columbia, and individual property owners). In some cases, the measures adopted are international standards. BC Assessment has consistently conducted regular and extensive surveys each year with our various customer groups and relies on third-party, commercial survey companies that work to established professional standards. To improve comparability and the quality of our performance measures, we undertake periodic reviews and in 2009 we will be implementing a number of projects as part of our annual Audit Plan to improve the effectiveness of our internal management controls. BC Assessment aspires to incorporate the eight B.C. Reporting Principles endorsed by the Legislative Assembly's Select Standing Committee on Public Accounts that outline the characteristics of good performance reporting by public sector organizations. For more information: http://www.llbc.leg.bc.ca/public/PubDocs/bcdocs/368657/Reporting_Principles_Nov2003.pdf

Survey Data

PERFORMANCE MEASURE 1 – CUSTOMER-EMPLOYEE ENGAGEMENT

Customer-employee engagement is measured through an annual workplace environment survey that gauges employee perceptions on motivation, work capacity and capability, leadership and alignment with the vision, mission and goals. The target is an average score (not a percentage) that expresses all responses to a series of survey questions. To calculate average scores, a two-step process is employed. First, the five-point scale is converted to points, as shown in the example in Figure A-1, and all of the points are added up and divided by the number of people in the group. This calculation gives the average score.

The survey is conducted by an independent organization and only those results with a confidence level of 95 per cent are reported.



APPENDIX A: Assessment Roll Quality and Data Source Reliability and Limitations for Performance Measures in 2008-2010 Service Plan

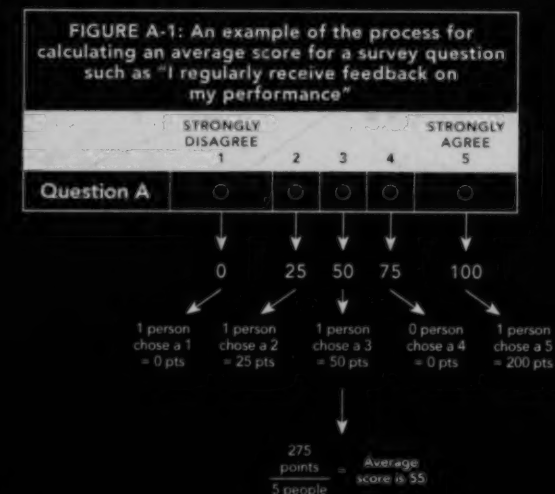
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The survey is conducted by an independent organization and only those results with a confidence level of 95 per cent are reported.



PERFORMANCE MEASURES 2 AND 3 – CUSTOMER SATISFACTION SURVEY RESULTS

BC Assessment initiated a Request for Proposal process in 2008 to select a professional market research consulting firm. Through this process, the qualifications and experience of the selected firm were verified and we are confident that the services received are reliable. The survey results were found to be reasonable when compared to historical trends and current market movement.

Surveys have an inherent margin of error. The surveys conducted in 2008 had a margin of error ranging from +/- 3.1% for the residential survey to +/- 3.3% for the non-residential survey. This means that the actual overall reported results of 82% for 2008 could actually be some 3% higher or lower.

The customer survey program began in 2006 as an annual survey with those groups who receive assessment roll information. In 2008, at the request of the local government, First Nations and provincial government customer groups, we implemented a biennial survey program to avoid survey fatigue with these customers. The independent market research team administering our customer survey program supported the recommendation from our customers. As a result, a survey was not conducted in 2008, but will be conducted in 2009 with these customer groups and then again in 2011. In 2009, we will be considering modifications to this measure as part of our performance management program to enable a yearly and more consistent measurement of

satisfaction with our services from this customer group.

PERFORMANCE MEASURES 4 – PERCENTAGE OF ASSESSMENTS ACCEPTED WITHOUT APPEAL

Staff receive formal complaints from property owners in January of each year and enter the information into the valueBC information system. Notices of Hearing are distributed and hearings are held in communities throughout British Columbia. Following the hearings, property owners are sent Notices of Decision indicating whether or not the complaint was successful. This provides an external control and verification of the complaint process. Data quality is maintained through internal controls, including a review and audit of the complaint data and comparison to historical trends and current market movement to ensure its accuracy. While appeal rates have been declining since 2005, rates typically increase in periods of rapid change in market values. In this regard, *Bill 45* has had a moderating effect and must be considered as a factor influencing appeal rates for the 2009 Roll, in addition to the ongoing efforts within BC Assessment to reduce appeal rates by more proactive communication with our residential and non-residential customer groups and improving customer access to assessment information.

Assessment Roll Quality

BC Assessment's two primary roll quality measures are the median Assessment-to-Sales Ratio (ASR) and the Coefficient of Dispersion (COD). The International Association of Assessing Officers (IAAO) has set standards for each of these statistical measures. The ASR and COD are based on the revised roll and the data is generated by our Quality Assurance Department, and reported annually in an Assessment Roll Quality Report. The Assessment Roll Quality Report is a detailed statistical analysis demonstrating the accuracy and uniformity of the assessment roll. In 2008, BC Assessment's Internal Audit department undertook a review of the 2008 Roll Quality Report to evaluate the completeness, accuracy, and relevance of the information reported. As a result of this audit, many strengths were noted in the report, but also suggested the report could be enhanced with a more comprehensive executive summary and greater analysis of the roll quality results.

The reliability of these roll quality performance measures is founded on the records as provided by the Land Title and Survey Authority of British Columbia, the agency responsible for managing, operating and maintaining the province's land title and land survey systems. It was established in January 2005 under the *Land Title and Survey Authority Act, [SBC 2004], c.66* as an independent organization and must meet obligations and targets that the provincial government has established for it in legislation and in an Operating Agreement between the

Authority and the Province.

The Land Title and Survey Authority of British Columbia ensures the continued integrity of the province's modified Torrens system for registering land titles. This involves examining and registering applications for land transfers and establishing and releasing charges on titles. The land title registration system provides conclusive evidence of title, and is backed by an assurance fund in the unlikely event of any registration error. The results in this report compare the market value transactions as registered against the actual value as determined by BC Assessment's appraisal staff.

As an example of our commitment to a verifiable uniform assessment roll, we are in year two of a two-year audit project to analyze our performance in undertaking sales editing and sales reassessment practices as part of the development of the assessment roll. Sales are the basis of the assessment roll, and this area needs to be well executed and documented to provide auditable assurance of integrity in the performance measures such as ASRs and CODs that support roll quality.

Real estate transactions are the basis for developing the assessment roll in the *actual value assessment system* in which BC Assessment operates. The completeness and accuracy of the ASR and COD measures depend on consistent and rigorous review of property sales by BC Assessment staff. The sales data is reviewed and verified where possible to create a valid population of

property sales which then form the basis for developing the ASR and COD measures. Many transactions such as a property transfers where there was no arm's length transaction are removed from the data set, for example. There are a range of situations that warrant removing property sales from the population (i.e. property transfer from husband to wife or from estate to executor). In other cases, sales values may need to be adjusted to account for specific factors and variables to ensure that the assessed value and the actual sales values are based on the same property conditions. If sales editing is not well executed, it can affect the validity of the performance measure. In 2008, BC Assessment's Internal Audit Department completed an audit of sales edits and sales reassessment practices of high profile industrial, commercial and investment properties, and provided recommendations to strengthen the existing internal control processes related to sales edits. An audit is being undertaken in 2009 to review sales editing and sales reassessment practices and controls related to residential properties.

The Internal Audit Department has also undertaken audits to prevent inappropriate sales reassessment by appraisers. For example, many jurisdictions have found that there is a risk that the sale of a property could trigger a reappraisal of that particular property which would then typically result in a revised assessment that is much closer to the actual sale value. This kind of activity can also affect the validity and usefulness of the ASR and

COD performance measures. If sales of such appraisal adjustments are used in a ratio study, the practice causes invalid uniformity results, unless similar unsold properties are reappraised by a method that produces an appraisal level for unsold properties equal to the appraised level of sold properties. In 2008, BC Assessment's Internal Audit Department completed an audit of high-profile industrial, commercial and investment properties, and provided recommendations to strengthen the existing internal control processes to better manage this risk. A similar audit is being undertaken in 2009 to review the controls in place to minimize the risk of inappropriate sales reassessment in relation to residential properties.

This year, as a result of the result of the introduction of Bill 45, approximately 80.5 per cent of properties in the province received an assessment utilizing a July 1, 2007 valuation date. As a consequence, the values for these properties were unchanged from the previous year as mandated by Bill 45. This legislated change for the 2009 roll created an incongruity regarding data analysis and roll quality measurement when merging the two roll years. Since there were two valuation dates that a property could potentially utilize, the sales data used as part of the assessment calculation had to be validated to match the valuation date and appropriate sales data for that roll year to ensure integrity in the roll quality measure with previous years. In summary, the methods used to develop the ASR and COD were different in

PERFORMANCE MEASURES	2009 COMPLETED ROLL (NON BILL 45)	2009 REVISED ROLL (BILL 45)	2008 REVISED ROLL
ASR- residential	96.6%	96.8%	96.8%
ASR-non-residential	95.4%	94.2%	94.2%
COD-urban	6.6%	7.5%	7.0%
COD-rural	8.9%	10.9%	9.8%

Note: a 2009 (non Bill 45) revised roll was not produced. As a result, we do not have this information to use as part of the comparison between the 2009 revised roll (Bill 45) and 2008 revised roll.

2008 than in previous years. BC Assessment feels that the results in 2009 can be reasonably compared to performance in previous years. The table above identifies performance in relation to the 2009 (Bill 45) revised roll, the 2009 (non Bill 45) completed roll, and the 2008 revised roll for the ASR and COD performance measures.

The ASR and COD results for the three rolls noted above all meet the IAAO standards for these industry standards.

The 2008 (2009 Bill 45 roll) roll quality measure results are based on the statistics generated from the 2009 revised roll which was completed March 31, 2009.

PERFORMANCE MEASURE 5 - ASSESSMENT-TO SALES RATIO (ASR)

BC Assessment measures the ASR for properties according to internationally recognized standards. The ASR is calculated by dividing the actual value (as determined by

the Corporation) of a property that has sold, by its selling price, and expressing the result as a percentage. For example, if a property is assessed with a value of \$243,000, and it sold for \$250,000, the ASR would be 97.2 per cent. In short, the ASR measures how accurately BC Assessment appraises property at market value. The IAAO has set a standard for a median ASR of 90 per cent to 110 per cent for an acceptable level of assessment achievement. BC Assessment's 2008 (2009 roll) target of >97 per cent for residential properties and >95 per cent for non-residential properties exceeds this standard. The targets in the 2009-2011 Service Plan have been changed to a range of 97-100 per cent and 95-100 per cent respectively, to reflect a closer, but more precise, match to the IAAO standard.

BC Assessment's statistics are based on all available single-family residential arms-length sales for the two quarters surrounding the Corporation's valuation date of July 1. In regions with significant market movement over

the six-month period, the dispersion will be overstated. For non-residential sales, data is based on sales occurring throughout the year.

PERFORMANCE MEASURE 6 - COEFFICIENT OF DISPERSION (COD)

BC Assessment also measures the COD for properties located in both urban and rural areas, according to internationally recognized standards. The COD measures the quality of our data by virtue of the spread of all the ASRs around its median, or middle number. The lower the COD, the better quality the product.

To calculate the COD, the differences between each ASR in a group and the median ASR are added together. The average difference is the sum of these numbers divided by the median, and it is expressed as a percentage. The following table provides an example calculation.

An example of a COD calculation using 97.5% as the median:	
ASSESSMENT TO SALES RATIO (ASR)	DEVIATION FROM MEDIAN
95.5%	2.0
96.7%	0.8
97.5%	0.0
98.7%	1.2
99.2%	1.7
Total Deviation	5.7
Average Deviation	1.14
COD	$= 1.14 / 97.5$ or 1.17%

Based on BC Assessment's experience, a good quality assessment roll for an area that contains mostly similar types of building will have a COD in the range of 8 per cent to 12 per cent.

The COD standard set by the IAAO for single-family residential properties is under 15 per cent for homogeneous (urban) regions and under 20 per cent for heterogeneous (rural) regions. BC Assessment has set targets of under 10 per cent and under 15 per cent, respectively. The COD targets in the 2009 Service Plan remains unchanged from our 2008 internal corporate performance measure program.

PERFORMANCE MEASURE 7 – ROLL STABILITY

BC Assessment annually measures the stability of the assessment roll by analyzing the number of additions or deletions made to the roll. The objective of this measure is to minimize tax losses to the taxing jurisdictions by creating a stable, dependable assessment roll. This performance measure examines taxes refunded as a result of a supplementary roll, which are changes to the roll after the official close of the creation of the annual assessment roll. Supplementary changes can be due to mistakes in information or property values that have changed after a property was appealed to a PARP or the PAAB. Although value changes to the roll can be negative or positive, only the refunds are considered in this measure, because refunds reduce the amount of money that municipalities have available to them.

The measure considers 19 months of information for one year in arrears. For example, the 2008 target year measures roll stability for the 2007 assessment roll by examining taxes refunded owing to supplementary rolls issued between May 1, 2007 and December 31, 2008.

PERFORMANCE MEASURE 8 – COST PER PROPERTY

The cost per property for assessment services funded from tax levies has been calculated by taking total expenditures for the year (less revenues that are not categorized as 'tax levies', 'payments in lieu of taxes' and 'First Nations revenue'), divided by the number of properties for the revised roll produced for the following year. BC Assessment maintains appropriate internal controls and will continue reporting regularly to the Audit and Finance Committee and Board of Directors and quarterly to the Office of the Comptroller General. BC Assessment is subject to an annual external audit of its financial statements, currently performed by the Office of the Auditor General. The reliability of this measure is founded on the title records as provided by the Land Title and Survey Authority of British Columbia. The results compare the market value transactions as registered against the actual inspection information as determined by the appraisers with BC Assessment.

APPENDIX B: Changes to Goals, Performance Measures and Targets in the 2008-2010 Service Plan

The Service Plan for 2008-2010 sets out the performance expectations against which BC Assessment would typically report. However, the goals, strategies and performance measures in that plan were amended during the year to reflect new priorities within the organization and continued efforts to develop a suite of measures that reflect customer and stakeholder concerns. These refinements were made as part of BC Assessment's formal planning processes and were approved by the Board of Directors in 2008. This new framework is the basis for reporting on results in 2008.

Goals and Performance Measures

As illustrated in Figure B-1, BC Assessment supplemented the three goals identified in the 2008-2010 with two new goals which reflect the priority that the Board has placed on continuing to develop the people resources within the organization and the importance of developing strong and effective working relationships with our Shareholder, partners and stakeholders.

The existing portfolio of measures, identified in the 2008-2010 Service Plan has also been supplemented with several new performance measures to support planning and reporting out against the revised goals.

The new measures are identified in Figure B-1 and they include:

- PM.1: Employee Engagement
- PM.6: Coefficient of Dispersion
- PM.7: Roll Stability

Each of these performance measures are described more fully in the body of the annual report. For discussion regarding Data Source Reliability and Limitations, refer to Appendix A. In addition to these changes, the description for some goal statements and performance measures has been streamlined.

The 2009-2011 Service Plan also specifies that BC Assessment will be developing a performance measure to support our goal to operate in an environmentally responsible manner and to meet government's greenhouse gas reduction objectives. The measure and targets are to be developed in 2009 and will be reported against in the 2009 Annual Service Plan Report.

Targets

The 2008 targets for PM 2, 3, 4 and 5 were unchanged in 2008. Targets for 2008 associated with PM 6 and 7, previously included in our internal corporate performance management program, were brought forward in our 2009-2011 Service Plan and are now being reported in the 2008 Annual Report. The targets for PM 2, 3 and 5 have been changed from 2009 to 2011, are noted in our 2009-2011 Service Plan and also reported in the 2008 Annual Report.

FIGURE B-1: Revised Goals and Performance Measures

PUBLISHED GOALS AND PERFORMANCE MEASURES - 2008/2010 SERVICE PLAN		REVISED GOALS AND PERFORMANCE MEASURES	
GOALS	PERFORMANCE MEASURES	PERFORMANCE MEASURES	GOALS
1. Serve our customers with care and professionalism to create positive and memorable customer experiences.	PM.1: Each year, the percentage of property owners independently surveyed who had direct contact with the Corporation, and were either Very Satisfied or Satisfied with the level of our customer service.	PM.1: Residential/Non-Residential	2. CUSTOMERS: Strengthen public trust and confidence by serving our customers with care and professionalism while anticipating their needs and expectations.
	PM.2: Each survey year, the percentage of local government/taxing authority, First Nations and provincial government customers independently surveyed who had direct contact with the corporation, and were either Very Satisfied or Satisfied with the level of customer service.	PM.2: Local Government/First Nations	
2. Create and deliver the products, services and solutions that respond to and anticipate our customers' needs and expectations.	PM.3: The relationship between assessed value and sale prices (the median assessment to sales ratio) for: • residential roll >97% • non residential roll >95%	PM.4: Percentage of Assessments Accepted without Appeal	4. PRODUCTS AND SERVICES: Provide timely, accurate and reliable products and services for our customers, key stakeholders and partners.
	PM.4: Each year, >98 percent of all assessments will be accepted without referral by the public to the Property Assessment Review Panel.	PM.5: Assessment to Sales Ratio – Residential; Non-Residential PM.6: Coefficient of Dispersion - urban; rural (new performance measure)	

FIGURE B-1: Revised Goals and Performance Measures

PUBLISHED GOALS AND PERFORMANCE MEASURES - 2008/2010 SERVICE PLAN		REVISED GOALS AND PERFORMANCE MEASURES	
GOALS	PERFORMANCE MEASURES	PERFORMANCE MEASURES	GOALS
1. Serve our customers with care and professionalism to create positive and memorable customer experiences.	PM.1: Each year, the percentage of property owners independently surveyed who had direct contact with the Corporation, and were either Very Satisfied or Satisfied with the level of our customer service.	PM.1: Residential/Non-Residential	2. CUSTOMERS: Strengthen public trust and confidence by serving our customers with care and professionalism while anticipating their needs and expectations.
	PM.2: Each survey year, the percentage of local government/taxing authority, First Nations and provincial government customers independently surveyed who had direct contact with the corporation, and were either Very Satisfied or Satisfied with the level of customer service.	PM.2: Local Government/First Nations	
2. Create and deliver the products, services and solutions that respond to and anticipate our customers' needs and expectations.	PM.3: The relationship between assessed value and sale prices (the median assessment to sales ratio) for: • residential roll >97% • non residential roll >95%	PM.4: Percentage of Assessments Accepted without Appeal	PROFESSIONALISM AND SERVICES: Provide timely, accurate and reliable products and services for our customers, key stakeholders and partners.
	PM.4: Each year, >98 percent of all assessments will be accepted without referral by the public to the Property Assessment Review Panel.	PM.5: Assessment to Sales Ratio – Residential; Non-Residential PM.6: Coefficient of Dispersion - urban; rural (new performance measure)	

FIGURE B-1: Revised Goals and Performance Measures

PUBLISHED GOALS AND PERFORMANCE MEASURES - 2008/2010 SERVICE PLAN		REVISED GOALS AND PERFORMANCE MEASURES	
GOALS	PERFORMANCE MEASURES	PERFORMANCE MEASURES	GOALS
3. Conduct our business effectively, efficiently and in an environmentally responsible manner.	PM.5: The average cost per property for assessment services funded from property tax levies will not increase at a rate greater than inflation	PM.7: Roll Stability (new performance measure) PM.8: Cost per Property	5. EFFECTIVENESS: Conduct our business effectively, efficiently and in an environmentally responsible manner

FIGURE B-1: Revised Goals and Performance Measures

PUBLISHED GOALS AND PERFORMANCE MEASURES - 2008/2010 SERVICE PLAN		REVISED GOALS AND PERFORMANCE MEASURES	
GOALS	PERFORMANCE MEASURES	PERFORMANCE MEASURES	GOALS
3. Conduct our business effectively, efficiently and in an environmentally responsible manner.	PM.5: The average cost per property for assessment services funded from property tax levies will not increase at a rate greater than inflation	PM.7: Roll Stability (new performance measure) PM.8: Cost per Property	5. EFFECTIVENESS: Conduct our business effectively, efficiently and in an environmentally responsible manner.



BC Assessment

We Value BC



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